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Vol. I

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, ~~1929~~ 1930

No. ~~642~~ 44

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, THE INTERSTATE COMMERCE COMMISSION, ET AL.

No. ~~643~~ 45

THE UNITED STATES OF AMERICA AND THE INTERSTATE COMMERCE COMMISSION, APPELLANTS,

vs.

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL.

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MISSOURI

FILED FEBRUARY 8, 1930

(34,773, 34,774)

(34,773, 34,774)

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1929

No. 642

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA, THE INTERSTATE COMMERCE COMMISSION, ET AL.

No. 643

THE UNITED STATES OF AMERICA AND THE INTERSTATE COMMERCE COMMISSION, APPELLANTS,

vs.

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, THE FORT WORTH AND DENVER CITY RAILWAY COMPANY, ET AL.

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF MISSOURI

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[fol. 1]

IN UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF MISSOURI

No. 1363

THE BEAUMONT, SOUR LAKE & WESTERN RAILWAY COMPANY, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg, and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, Petitioners,

vs.

THE UNITED STATES OF AMERICA, Defendant

RECORD ENTRY—July 22, 1929

This day come petitioners by attorneys and file Petition.

1—642, 643

IN UNITED STATES DISTRICT COURT

RECORD ENTRY OF FILING OF INTERVENTION OF INTERSTATE COMMERCE COMMISSION—July 29, 1929

This day comes the Interstate Commerce Commission by its attorneys and files Intervention and Answer herein.

[fol. 2] IN UNITED STATES DISTRICT COURT

INTERVENTION OF INTERSTATE COMMERCE COMMISSION—Filed July 29, 1929

To the Honorable Judges of said Court:

In accordance with the provisions of section 212 of the Judicial Code, 36 Stat. L. 1150, we hereby enter the appearance of the Interstate Commerce Commission, as a party defendant, and of ourselves as its counsel, in the above-entitled suit.

Daniel W. Knowlton, Edward M. Reidy.

[File endorsement omitted.]

[fol. 3] IN UNITED STATES DISTRICT COURT

ANSWER OF INTERSTATE COMMERCE COMMISSION—Filed July 29, 1929

The Interstate Commerce Commission, intervening defendant in the above-entitled suit, now and at all times hereafter saving and reserving to itself all and all manner of benefit and advantage of exception to the many errors and insufficiencies in the petitioners' petition contained, for answer thereunto, or unto so much or such parts thereof as it is advised that it is material for it to answer, answers and says:

I

Answering Paragraphs I and II of the petition, the Commission admits, for the purposes of this suit, that the allegations therein contained are true.

II

Answering subdivisions 3 to 24, inclusive, of the petition, the Commission admits and alleges that it made and entered the order dated June 10, 1929, referred to in subdivision 8 of the petition, and made a part thereof as Exhibit 4, in a proceeding then pending before it entitled Docket 15234, In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories; that said proceeding was instituted by the Commission upon its own motion by order dated October 8, 1923, referred to in subdivision 3 of the petition, and attached thereto as Appendix 1, by which certain railroad companies operating in the territories mentioned, including the petitioners herein, were made respondents; that full hearings were had and thereafter the Commission made and entered and served upon all the parties in said proceeding, the report of December 10, 1928, 148 I. C. C. 457, referred to in subdivision 6 of the petition, and made a part thereof as Appendix 3, to which the Commission respectfully refers the Court for information concerning its findings and requirements in the premises; that following the service of the Commission's said report of December 10, 1928, petitioners herein, referred to as Southwestern Lines, filed petition for rehearing, reargument and reconsideration; that pursuant to [fol. 4] said application the proceeding was reopened for reconsideration; and that subsequently the Commission made and entered and served upon all the parties in said proceeding report and order of June 10, 1929, referred to and made a part of the petition as Appendix 4, to which the Commission respectfully refers the Court for information concerning its findings and requirements in the premises; that in said proceeding the parties thereto, including the petitioners herein, were, and each of them was, accorded the full hearing provided for by the Interstate Commerce Act; that in said hearings a large volume of testimony and other evidence bearing upon the matters covered in said reports and order was submitted to the Commission for consideration, including testimony and other evidence submitted on behalf of petitioners herein by their counsel; that at said hearings and subsequently, both orally and in briefs filed in said proceeding, questions relating to said matters

were fully argued and submitted to the Commission for determination on behalf of said parties by their respective counsel, including many of the particular questions raised by petitioners in this suit, whereupon the Commission determined said matters and entered and served upon all the parties to said proceeding, including the petitioners herein, its said reports and order; that said reports and order included the Commission's findings of fact, decision, conclusions, order and requirements in the premises, and that, upon the evidence aforesaid, and as shown in and by said reports, the Commission made the findings and stated the conclusions upon which said order is based.

The Commission further alleges that the findings and conclusions in said reports were and are, and that each of them was and is, fully supported and justified by the evidence submitted in said proceeding as aforesaid.

The Commission further alleges that in making said reports it considered and weighed carefully, in the light of its own knowledge and experience, each fact, circumstance, and condition called to its attention on behalf of the par-[fol. 5] ties to said proceedings by their respective counsel, including matters covered by the allegations of the petition herein.

The Commission further alleges that said order of June 10, 1929, was not made or entered either arbitrarily or unjustly, or contrary to the relevant evidence, or without evidence to support it; that in making said order the Commission did not exceed the authority which had been duly conferred upon it, and the Commission denies each of and all the allegations to the contrary contained in the petition.

Further answering Paragraph IV of the petition, the Commission denies that its said order of June 10, 1929, is invalid for any of the reasons set forth in said paragraph, or for any other reason; and denies that the petitioners will suffer irreparable damage, or any damage, if its said order of June 10 is not stayed and enjoined.

Except as herein expressly admitted, the Commission denies the truth of each of and all the allegations contained in the petition in so far as they conflict either with the allegations herein, or with either the statements or conclusions of fact included in said reports and order of December 10,

1928, and June 10, 1929, which reports and order are hereby referred to and made a part hereof.

All of which matters and things the Commission is ready to aver, maintain, and prove as this Honorable Court shall direct, and hereby prays that said petition be dismissed.

Interstate Commerce Commission, by E. M. Reidy, Assistant Chief Counsel. Daniel W. Knowlton, of Counsel.

[fol. 5a] *Duly sworn to by Joseph B. Eastman. Jurat omitted in printing.*

[File endorsement omitted.]

[fol. 6] IN UNITED STATES DISTRICT COURT

ANSWER OF THE UNITED STATES—Filed Aug. 17, 1929

United States for answer to the petition filed herein against it says:

I

United States admits for the purpose of this suit the allegations contained in paragraphs numbered 1 and 11 of the petition.

II

United States, for answer to paragraphs numbered III and IV of the petition, and the several subdivisions of those paragraphs, admits and alleges that the Interstate Commerce Commission made and entered the order dated June 10, 1929, referred to in subdivision 8 of the petition and made a part thereof as Exhibit 4, in a proceeding then pending before it entitled Docket 15234, In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories; that said proceeding was instituted by the Commission upon its own motion by order dated October 8, 1923, referred to in subdivision 3 of the petition, and attached thereto as Appendix 1, by which certain railroad companies, including the petitioners herein, operating in the territories mentioned were made respondents; that

full hearings were had and thereafter the Commission made and entered and served upon all the parties in said proceeding, the report of December 10, 1923, 148 I. C. C. 457, referred to in subdivision 6 of the petition, and made a part thereof as Appendix 3, to which the Court is respectfully referred for information concerning the Commission's findings and the requirements thereof; that following the service of the Commission's said report of December 10, 1928, petitioners herein, referred to as Southwestern Lines, filed petition for rehearing, reargument and reconsideration; that pursuant to said application the proceeding was reopened for reconsideration; and that subsequently the Commission made and entered and served upon all the parties in said proceeding report and order of June 10, 1929, re-
[fol. 7] ferred to and made a part of the petition as Appendix 4, to which the Court is respectfully referred for information concerning the Commission's findings and the requirements of said order; that in said proceeding the parties thereto, including the petitioners herein were, and each of them was, accorded the full hearing provided for by the Interstate Commerce Act; that in said hearings a large volume of testimony and other evidence bearing upon the matters covered in said reports and order was submitted to the Commission for consideration, including testimony and other evidence submitted on behalf of petitioners herein by their counsel; that at said hearings and subsequently, both orally and in briefs filed in said proceeding, questions relating to said matters were fully argued and submitted to the Commission for determination on behalf of said parties by their respective counsel, including many of the particular questions raised by petitioners in this suit, whereupon the Commission determined said matters and entered and served upon all the parties to said proceeding, including the petitioners herein, its said reports and order; that said reports and order included the Commission's findings of fact, decision, conclusions, order and requirements in the premises, and that, upon evidence aforesaid, and as shown in and by said reports, the Commission made the findings and stated the conclusions upon which said order is based.

The United States further alleges that the Commission's findings and conclusions in said reports are, and each of

them is, fully supported and justified by the evidence submitted in said proceeding as aforesaid.

The United States further alleges that in making said reports The Commission considered and weighed carefully, in the light of its own knowledge and experience, each fact, circumstance, and condition called to its attention on behalf of the parties to said proceedings by their respective counsel, including matters covered by the allegations of the petition herein.

United States expressly denies that in making and enter-
[fol. 8] ing said order of June 10, 1929, the Commission acted arbitrarily, or contrary to relevant testimony or in excess of its authority, or otherwise unlawfully.

United States further denies that said order of June 10, 1929, is unlawful or invalid for any of the reasons set forth in the petition or for any other reason; and denies further that petitioners will suffer irreparable or other damage if said order is not suspended or enjoined.

United States denies, except as herein expressly admitted, the truth of each and every allegation of the petition, in so far as it or they conflict with the allegations herein, or the statements and conclusions of fact contained in said reports and orders of the Commission.

William L. Vandeventer, United States Attorney. John Lord O'Brian, Assistant to the Attorney General. Elmer B. Collins, Special Assistant to the Attorney General.

Duly sworn to by Elmer B. Collins. Jurat omitted in printing.

[fol. 9] [File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

NOTICE OF APPLICATION FOR LEAVE TO INTERVENE—Filed Aug. 31, 1929

To Messrs. F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, G. H. Muckley, H. H. Larimore, C S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners; William L. Vandeventer, John Lord O'Brian, Elmer B. Collins, Solicitors for the United States of America; D. W. Knowlton, E. M. Reidy, Solicitors for Interstate Commerce Commission:

Please take notice that on August 31, 1929, at the opening of Court, or as soon thereafter as Counsel can be heard, we shall appear before his Honor, Judge Reeves, in the court [fol. 10] room usually occupied by him in the Federal Court Building at Kansas City, Missouri, or before such other Judge as is then and there in his stead sitting, and shall present to the Court a petition for an order granting leave to William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chicago, Burlington and Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railroad Company, and Wabash Railway Company, to intervene in the above entitled cause as parties defendant, and for leave to file instanter their joint and separate answer to the petition filed by petitioners herein, copies of which petition, order and answer are attached hereto; at which time and place you may appear if you see fit.

Silas H. Strawn, K. L. Richmond, P. F. Gault, Kenneth F. Burgess, Ralph M. Shaw, A. H. Lossow, J. Carter Fort, M. M. Joyce, L. H. Strasser, F. H. Towner, Solicitors for Interveners.

Received a copy of the foregoing notice and of the petition, order and answer therein referred to, this 31st day of August, 1929.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. [fol. 11] Roberts, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners. Elmer B. Collins, Special Assistant to the Attorney General, Solicitor for United States of America. J. Stanley Payne, Solicitor for the Interstate Commerce Commission.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

PETITION FOR LEAVE TO INTERVENE—Filed Aug. 31, 1929

To the Honorable Judges of said Court:

Now come William W. Wheelock and William G. Bierd, Receivers of The Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chicago, Burlington and Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company; and respectfully show to the Court:

That your petitioners, William W. Wheelock and William G. Bierd, are the duly qualified and acting Receivers of The Chicago and Alton Railroad Company, an Illinois corporation, with their principal office at Chicago, Illinois; that your petitioners, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company and Illinois Central [fol. 12] Railroad Company, are corporations organized and existing under the laws of the State of Illinois, with their principal offices at Chicago, Illinois; that your petitioner, Chicago, St. Paul, Minneapolis and Omaha Railway

Company is a corporation organized and existing under the laws of the State of Wisconsin, with its principal office at St. Paul, Minnesota; that your petitioner, W. H. Bremner, is the duly qualified and acting Receiver of Minneapolis & St. Louis Railroad Company, an Iowa corporation, with his principal office at Minneapolis, Minnesota; that your petitioner, Minneapolis, St. Paul & Sault Ste. Marie Railway Company, is a corporation organized and existing under the laws of the State of Minnesota, with its principal office at Minneapolis, Minnesota; and that your petitioner, Wabash Railway Company, is a corporation organized and existing under the laws of the State of Indiana, with its principal office at St. Louis, Missouri; that all of your petitioners are now and have been in possession of and operating railroads engaged in interstate commerce.

That this proceeding is a suit to enjoin, suspend, set aside and annul a certain order entered by the Interstate Commerce Commission in a proceeding before it entitled, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories," its Docket No. 15234; that your petitioners are and were at all times during the pendency of said proceeding, parties in interest thereto before said Interstate Commerce Commission, within the meaning of the statutes of the United States; that they participated in said proceedings before the Interstate Commerce Commission, introducing evidence, filing briefs and arguing the same; that your petitioners are entitled by law to intervene in this cause; that the purpose of this suit is to deprive your petitioners of valuable and substantial rights, to the great benefit and advantage of the petitioners therein; that your petitioners cannot adequately protect said rights and interests unless permitted to intervene herein, and that unless said rights and interests are protected your peti-
[fol. 13] tioners will suffer great and irreparable damage and injury.

Wherefore your petitioners pray that an order be entered permitting your petitioners to intervene in this cause and file instanter their joint and separate answer to the petition filed herein, in the same manner and with like effect as if your petitioners had been named in said original petition as parties defendant.

William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Com-

pany; Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago, Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company, W. H. Bremner, Receiver of Minneapolis & St. Louis Railway Company, Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Wabash Railway Company, by Silas H. Strawn, K. L. Richmond, P. F. Gault, Kenneth F. Burgess, Ralph M. Shaw, J. Carter Fort, M. M. Joyce, A. H. Lossow, L. H. Strasser, Frank H. Towner, Their Solicitors.

[fol. 14] *Duly sworn to by J. A. Behrle. Jurat omitted in printing.*

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

ORDER GRANTING LEAVE TO INTERVENE—Filed Aug. 31, 1929

This cause coming on to be heard upon the petition of William W. Wheelock and William G. Bierd, Receivers of The Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chicago, Burlington and Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, for leave to intervene herein as parties defendant; and the Court having heard the argument of counsel and being fully advised in the premises:

It is hereby ordered that said William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chi-

cago, Burlington and Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. [fol. 15] Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, be and they are hereby permitted to intervene in said cause as parties defendant.

And it is further ordered that said interveners may file herein instanter their joint and separate answer to the petition filed herein.

Enter:

Albert L. Reeves, Judge.

Dated Aug. 31, 1929.

[File endorsement omitted.]

[fol. 16] IN UNITED STATES DISTRICT COURT

NOTICE OF MOTION FOR LEAVE TO FILE AMENDED PETITION—Filed Sept. 17, 1929

To Messrs. William L. Vandeventer, John Lord O'Brian, Elmer B. Collins, Solicitors for the United States of America; D. W. Knowlton, Solicitor for the Interstate Commerce Commission; Frank H. Towner, Chas. M. Miller, Solicitors for William W. Wheelock and William G. Bierd, receivers for the Chicago & Alton Railroad Company et al., Interveners:

Please take notice that on the 17th day of September, 1929, at the opening of Court, or as soon thereafter as counsel can be heard, counsel for petitioners will appear before the Honorable A. L. Reeves, Judge in the court room usually occupied by him in the Federal Court Building at Kansas City, Missouri, or before such other judge as is then and there in his stead sitting, and will present to the said court a motion for leave to file an amended petition in the above entitled cause, a copy of which is hereto attached.

F. H. Moore, W. E. Davis, Solicitors for Petitioners.

Received a copy of the foregoing notice and of the above described amended petition this 17 day of September, 1929.

Wm. L. Vandeventer, U. S. Atty.; Elmer B. Collins, [fol. 17] D. W. Knowlton, by C. E. Curtis, Asst. U. S. Atty., Solicitors for United States of America. F. H. Towner, Charles M. Miller, Solicitors for William W. Wheelock and William G. Bierd, Receivers for the Chicago & Alton Railroad Company, et al., Interveners. D. W. Knowlton, by C. E. Curtis, Solicitor for the Interstate Commerce Commission.

[File endorsement omitted.]

In United States District Court

Motion for Leave to File Amended Petition—Filed Sept. 17, 1929

Now come petitioners in the above entitled cause and ask leave to file therein an amended petition, a copy of which is hereto attached.

F. H. Moore, W. E. Davis, Solicitors for Petitioners.

[File endorsement omitted.]

In United States District Court

Order Granting Leave to File Amended Petition—Filed Sept. 17, 1929

Now on this day the motion of petitioners for leave to file an amended petition having been heard and considered:

It is hereby ordered that leave is granted petitioners to file said amended petition and that a copy of said amended petition without attachment of appendices 1 to 4 inclusive, [fol. 18] attached to the original petition, shall be served upon defendant and interveners herein.

Albert L. Reeves, Judge.

[File endorsement omitted.]

[fol. 19] IN UNITED STATES DISTRICT COURT

[Title omitted]

AMENDED PETITION—Filed Sept. 17, 1929

To the Honorable the Judges of the District Court of the United States for the Western Division of the Western District of Missouri:

The petitioners, on behalf of themselves, and of such other persons or companies as may have an interest herein, and may, by proper proceedings, become parties hereto, by leave of court first obtained, file this, their amended petition against the United States of America to enjoin, set aside, annul and suspend a certain order hereinafter set forth, of the Interstate Commerce Commission (herein called the "Commission"), which is a commission existing under and by virtue of the Interstate Commerce Act (Title 49, Sections 1-27, United States Code, 1926), and thereupon petitioners complain and say:

I

Parties

1. The petitioners are corporations duly organized and existing under the laws of the following states: The Beaumont, Sour Lake & Western Railway Company, under the laws of the State of Texas; The Fort Worth and Denver City Railway Company, under the laws of the State of Texas; The Galveston, Harrisburg, and San Antonio Railway Company, under the laws of the State of Texas; Houston and Shreveport Railroad Company, under the laws of the State of Louisiana; Houston & Texas Central Railroad Company, under the laws of the State of Texas; The Houston East and West Texas Railway Company, under the laws of the State of Texas; International-Great Northern Railroad Company, under the laws of the State of Texas; The Kansas City Southern Railway Company, under the laws of the State of Missouri; Louisiana & Arkansas Railway Company, under the laws of the State of Delaware; Louisiana Railway & Navigation Company, under the laws

[fol. 20] of the State of Louisiana; Louisiana Western Railroad Company, under the laws of the State of Louisiana; Missouri-Kansas-Texas Railroad Company, under the laws of the State of Missouri; Missouri-Kansas-Texas Railroad Company of Texas, under the laws of the State of Texas; Missouri Pacific Railroad Company, under the laws of the State of Missouri; Morgan's Louisiana and Texas Railroad and Steamship Company, under the laws of the State of Louisiana; New Orleans, Texas & Mexico Railway Company, under the laws of the State of Louisiana; The St. Louis, Brownsville and Mexico Railway Company, under the laws of the State of Texas; St. Louis-San Francisco Railway Company, under the laws of the State of Missouri; St. Louis, San Francisco and Texas Railway Company, under the laws of the State of Texas; St. Louis Southwestern Railway Company, under the laws of the State of Missouri; St. Louis Southwestern Railway Company of Texas, under the laws of the State of Texas; San Antonio & Aransas Pass Railway Company, under the laws of the State of Texas; Texas and New Orleans Railroad Company, under the laws of the State of Texas; and The Texas and Pacific Railway Company, under the laws of the United States of America.

During the pendency of this proceeding, petitioner, the Texas and New Orleans Railroad Company acquired control by lease of and now operates the properties of petitioners The Galveston, Harrisburg, and San Antonio Railway Company, Houston and Shreveport Railroad Company, The Houston East and West Texas Railway Company, Louisiana Western Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, and San Antonio & Aransas Pass Railway Company, and petitioner Louisiana & Arkansas Railway Company (which was not included as a respondent), acquired control by lease of and now operates the property of petitioner, the Louisiana Railway & Navigation Company. Subject to the above explanation, petitioners and all the other railroad companies hereinafter referred to, at all the times herein mentioned, were and now are common carriers engaged in the business of operating railroads for the transportation of passengers and freight in interstate and foreign commerce, and they are all subject to the provisions of the Interstate Commerce Act

and the acts supplemental thereto and amendatory thereof (Title 49, Sections 1 to 27, United States Code, 1926).

The defendant, the United States of America, is being sued by express authority of the Congress of the United States as set forth in an act of October 22, 1913, known as the Urgent Deficiencies Appropriations Act (38 Stat. L. 219, Chapter 32; Title 28, Sections 43-48, United States Code, 1926).

As hereinafter set forth, this suit is brought for the purpose of enjoining and setting aside an order of the Interstate Commerce Commission entered upon its own initiative for the purpose of investigating, under the provisions of sub-division (6) of Section 15 of the Interstate Commerce Act, the reasonableness of divisions of the joint through freight rates as between certain carriers in the Southwestern Region of the United States, which term was defined, [fol. 21] in said proceeding, as embracing the states of Texas, Arkansas, Oklahoma, Louisiana west of the Mississippi River, and Missouri south of the main line of the Missouri Pacific Railroad Company between Kansas City and St. Louis, and certain carriers in Western Trunk Line Territory, which term was defined as embracing the states of Iowa, Minnesota, Wisconsin, Illinois, North Dakota, South Dakota, Missouri on and north of the main line of the Missouri Pacific Railroad Company between Kansas City and St. Louis, and the upper peninsula of Michigan. As stated, the Commission instituted the proceeding upon its own initiative (148 I. C. C. 457, a copy of which is attached designated Appendix 3. A copy thereof is attached as Appendix 3 to the original petition), but in its report (148 I. C. C. 458) it referred to the Western Trunk Lines respondents, which, as it said, were actively seeking increases in divisions, as complainants, and the Southwestern Line respondents, as defendants. As so termed, the complainants were the following Western Trunk Line railroads; The Chicago and Alton Railroad Company, William W. Wheelock and William G. Bierd, Receivers; Chicago and North Western Railway Company, Chicago, Burlington & Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, Milwaukee and St. Paul Railway Company; Chicago, Saint Paul, Minneapolis and Omaha

Railway Company; Illinois Central Railroad Company; The Minneapolis & St. Louis Railroad Company, W. H. Bremner, Receiver; Minneapolis, St. Paul & Sault Ste. Marie Railway Company; Quincy, Omaha & Kansas City Railroad Company; Chicago and Eastern Illinois Railway Company; and Wabash Railway Company; and the defendants, the following railroads: The Atchison, Topeka and Santa Fe Railway Company; The Beaumont, Sour Lake & Western Railway Company; The Chicago, Rock Island and Gulf Railway Company; The Chicago, Rock Island and Pacific Railway Company; Fort Worth and Denver City Railway Company; The Galveston, Harrisburg, and San Antonio Railway Company; Gulf Colorado and Santa Fe Railway Company; Houston and Shreveport Railroad Company; Houston & Texas Central Railroad Company; The Houston East and West Texas Railway Company; International-Great Northern Railroad Company; The Kansas City, Mexico and Orient Railway Company; Kansas City, Mexico and Orient Railway Company of Texas; The Kansas City Southern Railway Company; Kansas, Oklahoma & Gulf Railway Company; Kansas, Oklahoma & Gulf Railway Company of Texas (this respondent was not included in the Commission's order prescribing divisions); Louisiana Railway & Navigation Company; Louisiana Railway & Navigation Company of Texas (this respondent was not included in the Commission's order prescribing divisions); Louisiana Western Railroad Company; Missouri-Kansas-Texas Railroad Company; Missouri-Kansas-Texas Railroad Company of Texas; Missouri Pacific Railroad Company; Morgan's Louisiana and Texas Railroad and Steamship Company; New Orleans, Texas & Mexico Railway Company; Panhandle and Santa Fe Railway Company; The St. Louis, Brownsville and Mexico Railway Company; St. Louis-San Francisco [fol. 22] Railway Company; St. Louis, San Francisco and Texas Railway Company; San Antonio & Aransas Pass Railway Company; The Texas and Pacific Railway Company; St. Louis Southwestern Railway Company; St. Louis Southwestern Railway Company of Texas; Texas and New Orleans Railroad Company; and Vicksburg, Shreveport & Pacific Railway Company. The Commission in its original

report (148 I. C. C. 459), and in its order of June 10, 1929, prescribing divisions, erroneously included the Texarkana and Fort Smith Railway Company, which had not been made a party to the proceeding. By order dated July 25, 1929, the Commission amended its said order of June 10th, and omitted the Texarkana and Fort Smith Railway Company therefrom. The Commission erroneously included in its said order of June 10th, the Chicago, Milwaukee, St. Paul & Pacific Railroad Company, which had not been made a party to the proceeding. Its predecessor, the Chicago, Milwaukee & St. Paul Railway Company was a party to the said proceeding.

II

Jurisdiction and Venue

2. One of the petitioners, The Kansas City Southern Railway Company has its principal office, as well as its principal operating office, in the City of Kansas City in the Western Division of the Western District of Missouri; and the order of the Commission which is the subject matter of this petition does not relate to transportation or to a matter complained of in a petition before the Commission, but is the result of a proceeding instituted by the Commission, on its own motion, in pursuance of the provisions of subdivision (6) of Section 15 of the Interstate Commerce Act. Suit is brought in the said district in accordance with the provisions of the said Urgent Deficiencies Appropriations Act of October 22, 1913; and petitioners invoke the jurisdiction of this court under the provisions of the said act, of Section 207 of the Judicial Code (Title 28, Sec. 41 (28) United States Code 1926), of the Interstate Commerce Act, and of the Constitution of the United States, and particularly Section 8 of Article 1 thereof, which gives to Congress the power to regulate interstate and foreign commerce, and the fifth amendment of the said Constitution, which provides that no person shall be deprived of life, liberty or property, without due process of law.

III

Proceedings Before the Commission

3. On to-wit, the 8th day of October, 1923, the Commission, upon its own initiative, promulgated an order it which it was recited that:

The Commission having under consideration the matters of divisions of freight rates and charges in western and mountain-Pacific territories as defined in Increased Rates, 1920; 58 I. C. C., 220, 58 I. C. C. 302, and 58 I. C. C., 489.

It is ordered, that a proceeding of inquiry and investigation be, and it is hereby, instituted for the purpose of determining whether the divisions of said rates or charges are and for the future will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between or among the respondent carriers hereinafter named, [fol. 23] within the meaning of paragraph (6) of section 15 of the Interstate Commerce Act, with a view to prescribing just, reasonable and equitable divisions of rates and charges to be received by the several carriers in the event that existing divisions are determined to be unjust, unreasonable, inequitable or unduly preferential or prejudicial.

The order further provided that the petitioners and certain other carriers were made respondents, and that the case should be assigned for hearings at such times and places as the Commission might thereafter direct. A copy of the said order is hereto attached and marked "Appendix 1," and is prayed to be taken and considered a part of this petition as fully as if set out in full herein. (A copy thereof is attached as Appendix 1 of the original petition.)

4. The above order of the Commission of October 8, 1923, did not make all of the railroads in the Southwestern region parties to the above investigation. On to-wit, the 23rd day of September, 1925, the Commission entered an order making the following additional railroads in the Southwestern Region respondents:

St. Louis Southwestern Railway Company, a railroad corporation organized and existing under the laws of the State of Missouri; Louisiana Railway & Navigation Com-

pany, a railroad corporation organized and existing under the laws of the State of Louisiana; Vicksburg, Shreveport & Pacific Railway Company, a railroad corporation organized and existing under the laws of the State of Louisiana; Morgan's Louisiana & Texas Railroad & Steamship Company, a railroad corporation organized and existing under the laws of the State of Louisiana; Louisiana Western Railroad Company, a railroad corporation organized and existing under the laws of the State of Louisiana; and Texas and New Orleans Railroad Company, a railroad corporation organized and existing under the laws of the State of Texas.

5. The petitioners filed a petition with the Commisison in the said proceeding setting forth that there were one hundred and thirty-seven additional railroad companies operating in the Southwestern Region which had not been made parties to the above proceeding, and asking that said companies be made parties. A copy of the said petition is hereto attached, marked "Appendix 2," and is prayed to be taken and considered as a part of this petition as fully as if set forth in full herein. (A copy thereof is attached as Appendix 2 of the original petition.) The Commission, however, on to-wit, the 28th day of November, 1925, entered an order denying the said motion, without any statement of its reasons therefor.

6. The Commission, on December 10th, 1928, rendered its decision (148 I. C. C. 457) in this proceeding. It recited that adjustments had been made by the interested carriers as to divisions on certain traffic, including some traffic between the Western Trunk Line Region and the Southwestern Region, and that (excluding the traffic as to which adjustments in divisions had been made by agreement of carriers) its report dealt with the divisions in the aggregate north and south of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale and Thebes, Ill., respectively, [fol. 24] of the joint rates between points in Western Trunk Line Territory generally east of the Missouri River, and points in the Southwest; also the divisions of the western lines' (that is, Western Trunk Lines' and Southwestern Lines') shares or portions of the joint rates applying on traffic moving between points in the southwest and points

in territory east of the Illinois-Indiana state line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian railroads between Cincinnati, Ohio, and Norfolk, Virginia, including New England and the lower peninsula of Michigan. The Commission further stated (148 I. C. C. 459):

Complainants and defendants alike admit that the divisions in question conform to no systematic and consistent plan, but they are not particularly interested in the revision of individual divisions. What complainants seek and defendants oppose is primarily a finding that the former are entitled to substantially increased revenue in the aggregate out of the traffic under consideration, and a fixation of divisions appropriate to that end.

The Commission made substantially the following findings and conclusions:

(a) That, judged by the average revenue per ton per mile received, in the year 1924, by the Class I carriers (Class I carriers are those whose gross operating revenues equal or exceed one million dollars per year), the general level of rates is somewhere in the n-ighorhood of 25 per cent higher in the Southwestern Territory than in the Western Trunk Line Territory, (148 I. C. C. 469).

(b) That there was no great difference in the average hauls, in the two regions, during the year 1924 (148 I. C. C. 469).

(c) That, during the years 1922, 1923 and 1924, the density of traffic was more than 50 per cent greater in Western Trunk Line Territory than in the Southwest (148 I. C. C. 470-472).

(d) That it is not shown that expense of operation by any means decreases in ratio to increase in traffic density; that it is probable that the chief benefit of heavy density is that overhead costs, such as return on investment are lower per unit of traffic (148 I. C. C. 473).

(e) That the vital thing to ascertain is the relative cost of service in the two groups (148 I. C. C. 473).

(f) That, based on the average freight operating expenses per ton mile in 1924 of Class I carriers operating within the two groups, it cost about 15 per cent more per ton mile to haul freight in the Southwest than in Western Trunk Line Territory (148 I. C. C. 473).

(g) That a better basis for comparison is the amounts needed to cover operating charges, taxes, and a fair return on investment. That the following table shows for 1924 the book investment in the two groups, the net railway operating income and its per cent on investment, the amount of such income which would have been necessary to produce a 5.75 per cent return, and the amount by which the actual income fell short of this return:

[fol. 25]

	Including Santa Fe and Rock Island in both groups		Excluding Santa Fe and Rock Island in both groups	
	Western Trunk lines	Southwestern lines	Western Trunk lines	Southwestern lines
Book investment	$4,886,282,428	$3,480,105,170	$3,593,117,173	$2,186,939,915
Net railway operating income	173,499,840	151,580,221	118,960,151	97,040.532
Per cent on investment	3.55	4.36	3.31	4.44
5.75 per cent return	$280,961,240	$200,106,047	$206,604,237	$125,749,045
Deficiency	$107,461,400	$ 48,525,826	$ 87,644,086	$ 28,708,513

(In the above statement and certain other statements, computations were made by both including and excluding the Santa Fe and the Rock Island railroads, for the reason that those railroads have extensive mileage in both groups.)

After apportioning a part of the "deficiency" to passenger service, the Commission found that, in 1924, the constructive freight revenue per ton mile needed to pay expenses of operation, including a return of 5¾ per cent, was 12.01 mills in Western Trunk Line Territory and 14.29 mills in the Southwest, and, consequently, that the cost of service, including a fair return on investment, was in the neighborhood of 20 per cent greater per ton per mile in the Southwest than in the Western Trunk Line group, based on averages of 1923 and 1924 operations. The Commission stated that such percentage, while open to the criticism that it was either based upon the operations of systems which extended in some instances beyond the group boundaries, or in the case of the strictly group lines, upon an incomplete showing of group operations, was not unfair to the Southwestern railroads for the reason (1) that while both groups contain systems which extend beyond their western boundaries into territory with less favorable operating conditions, the Western Trunk Line group also contains systems, such as the Wabash and Illinois Central, which extend beyond its eastern boundary into Official Territory, with its more favorable operating conditions, and in the case of the Illinois Central, into the Mississippi Valley portion of Southern Territory; (2) that the book values of the Southwestern Region are on a much less conservative basis than those of the central western and northwestern regions, (3) that the computations are not confined to the interchange traffic between complainants and defendants but cover all traffic and there is evidence indicating that a somewhat larger proportion of low grade heavy loading traffic is carried by complainants than by defendants; and (4) that the trend of changing conditions is more favorable to defendants than to complainants (148 I. C. C. 475-6).

(h) That (148 I. C. C. 476) the relative financial condition of the two groups of carriers in indicated by the following table showing net railway operating income stated in percentages of aggregate book investments:

	Including Santa Fe and Rock Island in both groups		Excluding Santa Fe and Rock Island from both groups			
	Western Trunk lines, per cent	Southwestern lines, per cent	Western Trunk lines, per cent	Southwestern lines, per cent	Strictly Western Trunk lines, per cent	Strictly Southwestern lines, per cent
Year 1916	5.74	4.82	5.57	4.03	....	....
Year 1917	4.94	5.19	4.68	4.92	....	....
Year 1921	2.96	3.98	2.14	3.25	....	....
Year 1922	3.42	3.51	3.16	3.12	....	....
Year 1923	3.73	3.87	3.47	3.53	....	....
Year 1924	3.55	4.36	3.31	4.44	2.23	4.81
Year 1925	3.90	4.55	3.59	4.43	....	....
Average	3.98	4.30	3.65	3.95	2.23	4.81

[fol. 26] That (148 I. C. C. 476) the rates of return for individual carriers, viz, the principal Chicago-St. Louis and Chicago-Kansas City lines and the prominent Southwestern lines were as follows in 1922 to 1925, inclusive:

	1922, per cent	1923, per cent	1924, per cent	1925, per cent
Western Trunk Lines:				
Chicago & Alton	1.05	3.59	2.86	2.87
C. & E. I.	3.03	3.82	1.62	2.37
C. B. & Q.	4.52	4.29	4.80	4.60
C. G. W.	.19	1.54	1.59	1.48
C. M. & St. P.	1.90	2.81	2.57	2.27
Illinois Central	5.92	5.17	4.76	4.76
Wabash	1.77	3.84	3.85	4.84
Southwestern Lines:				
A. T. & S. F.	4.61	5.17	4.63	5.16
G. C. & S. F.	6.05	5.67	9.04	7.55
H. & T. C.	4.30	4.44	5.28	4.33
H. E. & W. T.	2.26	1.75	1.91	7.21
I. G. N.	2.87	4.98	5.63	4.52
K. C., M. & O.	Deficit	.22	Deficit	.24
K. C., M. & O. of Tex	Deficit	Deficit	2.41	.47
K. C. S.	2.88	2.60	2.85	3.49
M-K-T.	4.72	3.78	4.29	4.96
M-K-T of Tex	1.63	1.56	5.03	3.28
Mo. Pac.	2.09	2.21	3.81	4.14
St. L. S. F.	3.99	4.72	5.05	5.23
St. L. S. W.	7.05	7.44	4.97	4.81
St. L. S. W. of Tex	Deficit	Deficit	1.33	1.46
Texas & Pacific	2.72	3.84	4.15	4.11

(i) That the cost of operation per ton mile, including all expenses, charges, and a fair return on investment, in all probability does not average as much as 20 per cent higher in the Southwestern than in the Western Trunk Line group (148 I. C. C. 478).

(j) That the financial condition of complainants, on the whole, is not as good as that of defendants.

Finally, the Commission found (148 I. C. C. 478) that the divisions in issue were not just, reasonable and equitable, and that there must be a readjustment, which readjustment it stated should be as follows:

Such a readjustment will, we think, be accomplished if the joint rates are divided, south and north of the gateways, in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale, and north of the gateway to be 80 per cent of the first-class rate for that distance under the same scale in the case of traffic to or from points in Illinois and Wisconsin and 87 per cent in the case of traffic to or from other points in the western trunk-line group. Where differentials are added in either territory in making the rates, such differentials should be deducted before prorating and added to the divisions of the lines in the region in which they apply. In the case of traffic to or from points in official territory east of the Indiana-Illinois State line, the assumed rate used in determining complainants' proportion of the revenue accruing to the western lines should be 80 per cent of the first-class rate under the southwestern scale for the distance covered by complainants' haul minus 10 cents because of the absence of originating or delivering service.

(The "southwestern scale" referred to is a system or "scale" of mileage rates prescribed by the Commission for application on certain traffic between points within the Southwestern Region in Consolidated Southwestern Cases, 123 I. C. C. 203, which was decided subsequent to the close of the evidence in this divisions proceedings.)

The Commission stated further:

It should be borne in mind that under the 80 per cent basis the assumed rates used south of the gateways are 25 per cent greater relatively than those used north thereof, and that under the 87 per cent basis they are 15 per cent greater.

[fol. 27] No order was entered at that time, the respondents being given sixty days' time within which to agree upon an adjustment substantially in accordance with the Commission's findings.

A copy of the said report of the Commission is hereto attached as Appendix 3, and is prayed to be taken and considered as a part of this petition. (A copy thereof is attached as Appendix 3 of the original petition.)

7. Petitioners, and other Southwestern carriers, filed a petition for rehearing, which contained many statistical tables and appendices, calling attention to the large amount of revenue which, by the Commission's decision, would be transferred from the Southwestern carriers to the Western Trunk Line carriers, including such prosperous Western Trunk Line carriers as the Illinois Central Railroad Company, and Chicago, Burlington & Quincy Railroad Company; setting forth many alleged errors, including the contention that the basis proposed by the Commission would not result in a division of revenues in accordance with the Commission's findings, and that the Commission's decision was contrary, in certain particulars to its previous decisions, and asking, on account thereof, as well as the grave questions involved, that the Commission grant a rehearing, reargument and reconsideration of the case. The petitioners offered to prove the additional facts alleged in their petition for rehearing.

8. The Commission on June 10, 1929, modified its report by providing that when the gateway through which the traffic moves is St. Louis, East St. Louis, Cario, Gale or Thebes the Western Trunk Line respondents, shall receive a proportion determined by taking 75 per cent of the first-class rate under the said Southwestern scale instead of 80 per cent as provided in the original report and that when the Western Trunk Line respondents are intermediate carriers, 15c shall be deducted on account of terminal expense instead of 10c, as provided in the original report. With these modifications of its report the Commission denied the petition for rehearing and reargument, and entered an order requiring that the said basis of divisions be established.

The order further provided that the respondents, accordingly as they participate in the transportation, are required

to cease and desist on and after August 1, 1929, and thereafter abstain from asking, demanding, collecting or receiving divisions of the aforesaid joint rates upon other bases than those prescribed by the Commission.

A printed copy of the said report and order designated "Appendix 4," is hereto attached and made a part hereof. (A mimeographed copy of the same document is attached as Appendix 4 to the original petition.)

On July 25, 1929, the Commission made an order amending the second paragraph of its order of June 10, 1929, and omitting the Texarkana and Fort Smith Railway Company from the list of respondents contained in the said paragraph. It further provided that the effective date of the said order of June 10, 1929, should be postponed from [fol. 28] August 1, 1929, to October 1, 1929. A copy of the said order, designated Appendix 5, is hereto attached and made a part hereof.

IV

Grounds for Relief

9. Petitioners allege that, as shown by a test, based on revenues of the month of September, 1928, as was fully set forth in the said petition for rehearing, the basis prescribed in the Commission's report of December 10, 1928 (148 I. C. C. 457) for dividing joint revenues between the Western Trunk Lines and the Southwestern Lines, would increase the amounts received by the Western Trunk Lines, and reduce the amounts received by the Southwestern Lines, in an aggregate amount of not less than $3,000,000 per annum; that with the modifications prescribed in the Commission's report and order of June 10, 1929, the increase to the Western Trunk Line respondents, and the corresponding decrease to the Southwestern Line respondents, would be not less than $2,900,000.00 per annum; and that for the reasons herein stated, the order of the Commission, which takes this large amount of revenue to which, under their existing agreements with the Western Trunk Lines, the Southwestern carriers are entitled, and grants it to the Western Trunk Lines, is unconstitutional, unlawful and void.

10. That the Commission found in its original report that the general level of rates was about 25 per cent higher in

the Southwestern Region than in the Western Trunk Line Region (148 I. C. C. 469) and that the vital thing to be ascertained in this proceeding is the relative cost of service including a reasonable return on the aggregate investments in the two groups; that the Commission, for this purpose, undertook to ascertain the amount of freight revenue which would be required to pay expenses and yield said reasonable return, and divided such aggregate revenue by the ton miles of freight transported by each group to ascertain the average revenue per ton per mile which was required to yield such reasonable return in each group; that thereby the Commission found that the carriers in the Southwestern group are entitled to 20 per cent more revenue, per ton per mile out of the joint rates involved, than are the carriers in the Western Trunk Line group; that, for the purpose of dividing the revenues from the said joint rates between the Western Trunk Line group and the Southwestern group, in accordance with said findings, the Commission in its original report, directed that the Western Trunk Line carriers should receive such a division of the revenue derived from the joint rates, as would be obtained by dividing the said joint rates in proportion to assumed rates for the hauls performed by the Western Trunk Line carrier and Southwestern carrier respectively, the assumed rate for the distance covered by the haul south of the gateway to be the first class rate for that distance under the Southwestern scale of rates (established by the Commission, effective on July 14, 1928) and the assumed rate for the distance covered by the haul north of the gateway to be 80 per cent in the case of traffic, to, from or through the States of Illinois and Wisconsin, and 87 per cent in the case of traffic, to, from [fol. 29] or through other portions of Western Trunk Line territory, of the first class rate for that distance under the same scale. The Commission stated in its report (148 I. C. C. 479), that it should be borne in mind that under the 80 per cent basis, the assumed rates used south of the gateways are 25 per cent greater relatively than those used north thereof, and that under the 87 per cent basis they are 15 per cent greater, plainly indicating the assumption of the Commission that the prescribed formula would yield to the Southwestern carriers a share of the revenue equal to their greater financial needs as found by the Commission; that the said first class rate under the Southwestern scale

is not the scale upon which the said joint rates are based, but is on a higher and different level and bears no definite relation thereto; that the Commission, without any notice to petitioners of its intention to use he said formula, based on the said scale and said percentages, without any evidence being introduced or issue made with regard thereto, and contrary to the facts, arbitrarily and unwarrantedly assumed that the use of the aforesaid formula would produce the result required by its said findings of facts. Petitioners allege that the first knowledge they had of the proposed use of the said formula was when the Commission promulgated its original report in this matter on December 10, 1928; that petitioners thereupon made an exhaustive and careful study of the working of the said formula, by applying the same to the revenues from the joint rates involved, for the month of September, 1928; that, as shown by the said test, the use of the said formula will yield to petitioners very much less than 20 per cent more revenue for the units of service performed by them; that the Southwestern carriers' proportion of the revenues for the month of September, 1928, upon the existing basis of divisions was $3,854,007.02; that upon a mileage prorate (that is, dividing the revenue in proportion to the number of miles the shipments were transported by each group of carriers) it would amount to $3,511,081.08; that the amount which the Southwestern carriers would receive under the formula prescribed by the Commission would be $3,592,503.37, an amount only slightly in excess of such mileage prorate; that the Southwestern carriers would thereby suffer a loss of $261,503.65, or more than $3,000,000 per year under the Commission's proposed bases of divisions as compared with the existing bases; and that the Southwestern carriers, under the Commission's proposed bases of divisions, instead of receiving greater revenue in the proportion of 20 per cent more per mile than the Western Trunk Lines, would actually receive only 5.8 per cent more. Petitioners further allege that these facts were set forth clearly and at great length by petitioners in the petition for rehearing and in appendices attached thereto, but that the Commission refused to grant a petition for rehearing; that the Commission, in denying the petition for rehearing, made some slight modifications in the formula, reducing the percentage from 80 per cent to 75 per cent of the assumed rate in the for-

mula, as to traffic to, from and through the States of Illinois and Wisconsin, via the gateways of St. Louis, Cairo, Gale [fol. 30] and Thebes, and permitting the Southwestern carriers to deduct 15 cents instead of 10 cents, where the Western Trunk Line carriers perform no terminal service, but did not materially change the situation above described; that petitioners have made a test of the effect of the modified formula prescribed by the Commission as applied to the revenues for the month of September, 1928, and that such test shows that, taking the revenue from the joint rates which are specifically covered by the Commission's said order of June 10, 1929, (as elsewhere more fully explained, the order covers divisions of joint rates on shipments between points on the lines of Southwestern respondents and points on the lines of Western Trunk Line respondents, and also on shipments between points on the lines of the Southwestern respondents and certain Eastern territory which pass over the line of a Western Trunk Line respondent, as an intermediate carrier, but there are numerous Southwestern and Western Trunk Line railroads which were not made respondents, so that the order does not apply to divisions of joint rates on shipments originating or having destination at points on the lines of the latter), such revenue of the respondents under the divisions agreed upon by the carriers was divided in the following proportions: $1,632,593 to the Western Trunk Line respondents, and $3,320,756 to the Southwestern respondents; that under the said order of the Interstate Commerce Commission the Western Trunk Line respondents would receive $1,875,485 and the Southwestern respondents $3,077,864, a loss to the Southwestern respondents of $242,892 per month, or $2,914,704 per annum, which amount is arrived at by multiplying the figures for the month of September, 1928, by twelve; that if the said revenue is divided in the manner in which the Commission purported to ascertain the respective revenue needs of the Western Trunk Lines and Southwestern Lines, that is, by dividing the said revenue so that the Southwestern Lines would receive 20 per cent greater revenue per ton per mile than the Western Trunk Lines, the Western Trunk Line respondents would receive $1,765,705 per month and the Southwestern Lines $3,187,644 per month, instead of the above amounts produced by the Commission's order, and consequently the Southwestern re-

spondents would receive $109,780 per month, or $1,317,360 per annum less revenue than according to the Commission's findings they are entitled to; that the said test shows that the Southwestern respondents, instead of receiving 20 per cent greater revenue per ton mile than is received by the Western Trunk Lines, would receive under the Commission's formula only a fraction more than 9 per cent greater revenue per ton mile; that the said order of the Commission will deprive certain of the petitioners of a much larger amount of revenue than their proportionate parts of the said sum of $2,914,704 per annum; that the action of the Commission in prescribing the said formula was based upon issues and assumptions of fact concerning which no evidence was introduced nor any issue tendered in the proceeding before the Commission; that the said conclusions and assumptions were wholly erroneous; that the action of the [fol. 31] Commission in basing its order thereon will result in according to the petitioners substantially less revenue than that to which they are entitled under the Commission's findings, and much less than they are justly, lawfully and equitably entitled to; and that by reason thereof, as well as of the failure and refusal of the Commission to remedy the said error when its attention was called thereto in the petition for rehearing, and to grant a rehearing for that purpose, the aforesaid order of the Commission is erroneous, arbitrary, unreasonable and unlawful, and constitutes a denial of due process of law, in violation of the fifth amendment to the Constitution of the United States.

11. Petitioners further allege that the Commission, for the purpose of ascertaining the basis upon which the joint revenues should be divided between the Western Trunk Line carriers and the Southwestern carriers, undertook to ascertain the financial condition of certain railroads in the Western Trunk Line group and the Southwestern group respectively, including the amount necessary to yield a return of 5¾ per cent upon the aggregate book values of the said respondents, in order to divide the said joint revenues between the said carriers in accordance with the alleged average financial needs of the two groups; that no provision was made, however, by which the increase in the divisions to the Western Trunk Lines prescribed by the Commission should go to, or be commensurate with, or be limited to the

needs of those individual Western Trunk Line carriers, if any, whose need of additional revenue was greater than that of the individual Southwestern carriers, nor that it should be borne by the Southwestern carriers to the extent of and in proportion to their financial ability. The result of the Commission's proposed basis of divisions will be to compel carriers in the Southwestern Territory, whose returns upon their investments are far below a reasonable return, and far below even a return of 5¾ per cent per annum, as shown by the Commission's findings, to contribute a portion of their revenues to certain Western Trunk Line carriers, whose financial condition is much better than that of such Southwestern carriers. For example, The Kansas City Southern Railway Company, one of the petitioners, whose average rate of return for the years 1922 to 1925, inclusive, upon the basis adopted by the Commission, was 2.95 per cent per annum, will, according to the test which was made of the revenues for the month of September, 1928, be compelled to contribute to the Chicago, Burlington & Quincy Railroad Company, whose average rate of return, as found by the Commission, was 4.55 per cent, the additional sum of approximately $19,322.52 per annum on the traffic specifically covered by the Commission's order, or $26,878.08, per annum, if the effect of the Commission's order is to change the divisions on all the traffic between the railroads in the said groups; to the Illinois Central Railroad Company, whose average rate of return, upon the same basis, was 5.15 per cent, the additional sum of approximately $974.28 per annum, under said order, or $834.84 on all of said traffic; to the Wabash Railway Company, whose average rate of return was 3.57 per cent, the additional sum of [fol. 32] approximately $46,360.20 per annum under the specific terms of the Commission's order, or $67,544.88 on all of said traffic; to the Atchison, Topeka & Santa Fe Railway Company, which opposed any change in the divisions, and whose average rate of return, as shown by the Commission, was 4.89 per cent per annum, the sum of approximately $1,767.96 per annum, under said order, or $8,913 per annum, on all of said traffic; and to the Chicago, Rock Island & Pacific Railway Company, as to whose rate of re-

turn the Commission made no finding whatever, in its report, the sum of approximately $36,664.32 per annum under the strict terms of said order, or $51,108.84 per annum, on all of said traffic; that the total amount which the said Kansas City Southern Railway Company will be required to contribute under the said order, in large measure to carriers more prosperous than it is, will be in excess of $200,000.00 per annum under the strict terms of said order, or in excess of $360,000 per annum, on all of the said traffic. Petitioners allege that a similar situation exists as to each of said petitioners, and that the said result is so arbitrary and unreasonable, so inconsistent with and contrary to the purposes of the said proceeding, and to the spirit and intent of the Interstate Commerce Act, that the said order is unlawful and void, and in violation of the due process clause of the 5th Amendment to the Constitution of the United States.

12. Petitioners further allege that the plan adopted in the said proceeding, being based upon the financial condition and necessities of the various carriers, is misconceived, and contrary to the spirit and intent of the Interstate Commerce Act, for the reason that, if it is necessary to furnish financial assistance to less prosperous carriers, such as the Chicago & Alton Railroad Company and the Chicago Great Western Railroad Company, the proper course is to fix divisions as between those lines and all their connections, adjusting the burden to each contributor in proportion to the latter's financial ability, as was done in the Missouri and North Arkansas Divisions case, 68 I. C. C. 47, 98 I. C. C. 118, and the Orient Divisions case, 73 I. C. C. 319, 96 I. C. C. 378. Petitioners further allege that subdivision (6) of Section 15 of the Interstate Commerce Act, which provides for the fixing of divisions as between carriers, does not contemplate or authorize the fixing of divisions as between groups of carriers, in cases like the present one, where neither typical evidence nor the Commission's findings show that the financial, operating and other conditions, affecting the amount of divisions, of the individual carriers in a group, are substantially identical, and where, on the contrary, the evidence and findings show that conditions are very dissimilar, and that if it did authorize such action it would be unconstitutional; that the present plan, the result of which is to

transfer a large amount of the revenues of weak carriers in the Southwestern group to stronger carriers in the Western Trunk Line group, in order to afford some financial assistance to such carriers as the Chicago & Alton Railroad Company, and Chicago Great Western Railroad Company, [fol. 33] is arbitrary, unreasonable and unlawful, in violation of the provisions of the Interstate Commerce Act and of the due process clause of the said Fifth Amendment.

13. Petitioners further allege that if the said proceeding before the Commission were for the purpose of establishing uniform divisions as between the carriers in the Southwestern Region and the Western Trunk Line Region, and if the Commission had authority to change the divisions for that purpose, all of which they deny, the order is unlawful and void for the reason that the Commission failed and refused, after a motion had been made by petitioners, to make parties to the said proceeding all the carriers in the Southwestern Region; and for the further reason that not all of the railroad companies in Western Trunk Line territory were made parties. Petitioners further allege that as stated by the Commission neither the so-called complainants nor defendants desired a revision of the divisional bases to make them more systematic and consistent (148 I. C. C. 459); that the Commission has no authority under the Interstate Commerce Act to make such revision unless such divisions are unjust, unreasonable, inequitable or unduly preferential or prejudicial as between the carriers parties thereto; that there was no proof that such divisions were repugnant to the act in any respect, or of any public interest requiring such revision, unless it were shown that such revision was required (which petitioners deny) on account of the financial condition of certain respondents, in which latter event the order was void for the reasons stated in paragraphs 11 and 12 hereof; that in the absence of a showing of violation of the provisions of the act, the Commission had no power or authority to act; that the said division order does not, according to its terms, apply to all carriers nor to all traffic passing between the Southwestern Region and the Western Trunk Line Region, but only to such traffic as has its origin and destination upon the lines of respondents and to the shares of respondents in such

traffic between points on the lines of respondents in the Southwest and points in the territory east of the Illinois-Indiana State Line and on and north of the Ohio River, and the line formed by the Chesapeake & Ohio, Norfolk & Western and Virginian Railways between Cincinnati, Ohio, and Norfolk, Virginia; that many of the Western Trunk Line carriers and Southwestern carriers were omitted from the proceeding by the Commission and the order does not, by its terms, apply to traffic originating or having destination at points on the lines of the latter; that the order of the Commission instead of simplifying the divisional arrangements will make them confused, complicated and unsystematic, since the Commission's basis is made to apply to only a portion of the joint traffic, and uses an assumed scale of rates, and petitioners allege that for these reasons, the said order of the Commission is arbitrary, discriminatory, and unlawful, and denies to petitioners the due process of law, which is guaranteed by the Fifth Amendment to the Constitution of the United States.

14. Petitioners further allege that although the Commission found that the level of rates in the Southwestern [fol. 34] Region is materially higher than in the Western Trunk Line Region (148 I. C. C. 467-468), the general level of rates being estimated by the Commission at about 25 per cent higher in the Southwestern Region (148 I. C. C. 469), the cost of service in the Southwestern Region is correspondingly higher so that the higher level of rates was justified by the higher cost of service. Petitioners further allege that it is against the public interest and contrary to the spirit and intent of the Interstate Commerce Act that the freight rates paid by the shippers of the Southwestern Region shall be transferred, as the Commission has endeavored to do in this case, to the railroads of the Western Trunk Line Region where a lower level of rates and a lower cost of service prevail; that the proper remedy is for the Commission to increase the rates in the Western Trunk Line Region so far as is necessary for the support of the carriers in that region; and that the said order of the Commission is, on that account, arbitrary, unlawful and void and contrary to the provisions of the Interstate Commerce Act

and to the due process clause of the Fifth Amendment to the Constitution of the United States.

15. Petitioners further allege that neither the Commission nor the complainants introduced in evidence or submitted to petitioners the proposed basis of divisions which the Commission has now ordered to be established, and petitioners' first knowledge of it was when the Commission's report was served; that petitioners consequently had no opportunity to meet the said basis by the introduction of testimony to show its practical workings or otherwise; that petitioners particularly called this fact to the attention of the commission at pages 10 and 140 of their petition for rehearing and asked that the case be reopened on that account; that as has already appeared from the allegations in this petition, the Commission used chiefly the operating statistics of the year 1924; that petitioners in their petition for rehearing protested against the use mainly of such statistics for the single, and now remote, year 1924, and requested that the Commission reopen the hearing in order that statistics for later years, including the year 1928, might be introduced and used by the Commission. The Commission in its report of June 10, 1929, states that no definite offer of proof was made by petitioners, in their petition for rehearing, but petitioners allege that on page 3 of the petition for rehearing it was stated that if the Commission granted the request for a rehearing and reopening of the case, the facts as set forth in Appendix 1, attached to the petition for rehearing, which gives the result of a test of the divisions proposed by the Commission, as applied to revenues for the month of September, 1928, and which, as already stated, in paragraph 10 hereof, where the results of said test are set forth, showed that the formula adopted in the Commission's original report would yield to the Southwestern carriers very much less than the proportion of the revenue due to the Southwestern carriers on account of their greater cost of service, including return on investment, would be introduced in evidence; that on pages 50 et seq. of the petition for rehearing [fol. 35] a number of tables were printed showing that in numerous instances under the proposed basis of divisions the Western Trunk Lines would receive divisions in excess of the amount of their local rates, and it was stated that if

a rehearing was granted the Southwestern Lines would undertake to show these and a great many more instances where the proposed divisions of the Western Trunk Lines would exceed their local rates; that the petition for rehearing was devoted to contesting the fairness and lawfulness of the basis of divisions proposed by the Commission of which, as stated, the petitioners had no notice or knowledge until the report of the Commission was published, and that for all the above reasons, as well as the large amount of revenue involved, it was an abuse of discretion and a denial of due process of law for the Commission to render a decision based on such incomplete data, and to refuse to grant to petitioners a rehearing and a reopening of the case for the purpose of the introduction of further testimony and reargument. That such refusal was highly prejudicial to petitioners is shown by the facts elsewhere set forth herein, and also by the fact that during recent years, the regions in which the Western Trunk Lines are located, have shown a constantly improving financial condition, their condition now being better than that of the carriers in the Southwestern Region. That the return on book value, which was the basis used by the Commission in its report (148 I. C. C. 476), has been as follows:

	1925	1926	1927	1928	First six months of year 1929
Northwestern Region.....	3.60	3.83	3.40	4.05	5.08
Central Western Region.....	4.41	4.86	4.26	4.53	5.83
Southwestern Region.....	4.37	4.56	3.92	4.47	4.69

That the Western Trunk Line Region is situated in the eastern part of what are termed the Northwestern and Central Western Regions, which contain, in their western portions, such sparsely settled states as Montana, Wyoming, Idaho, Nevada, Utah, Arizona and New Mexico. That the condition of the carriers in the said Central Western Region, however, was, during all the said years, better than that of the carriers in the said Southwestern Region, and that the condition of the carriers in said Northwestern Region is constantly improving, and is now better than that of the Southwestern carriers.

16. Petitioners further allege that the Commission based its decision in the present case upon alleged facts and data

which were not submitted in evidence before the Commission, which petitioners did not know were to be used, upon which they had no opportunity to cross examine or introduce testimony, and which were considered and treated by the Commisison, as shown by its reports, as relevant and material, to-wit:

(1) The Commission found that the book values of the railroads in the Southwestern Region are on a much less conservative basis than those of the railroads in the Central Western and Northwestern Regions (148 I. C. C. 475), al- [fol. 36] though no evidence to this effect was introduced in the proceeding before the Commission, and no such issue was made by any party to the proceeding;

(2) The Commission, in its report on reconsideration (156 I. C. C. 104) referred to and considered the average operating revenues, average operating expenses and average hauls for the year 1924 of the Northern Pacific Railroad, the Great Northern Railway, the Western Pacific Railroad and the Union Pacific Railroad, although evidence with reference thereto had not been introduced in the proceeding before the Commission;

(3) The Commission found, in effect, that the operating conditions on those portions of the Wabash Railroad and the Illinois Central Railroad which extend beyond the eastern boundary of Western Trunk Line Territory as described by it, into Official Classification Territory, and in case of the Illinois Central Railroad, into the Mississippi valley, are and were more favorable than the operating conditions on the portions of said railroads which are within Western Trunk Line Territory, although there was no evidence in the proceeding before the Commission with reference to the operating conditions in said Official Classification and Mississippi Valley territories;

(4) The Commission referred to and considered the alleged traffic density for the year 1927 within the Western Trunk Line Territory and Southwestern territory, segregated by states (148 I. C. C. pp. 472-3), although said data was not introduced in evidence in the proceeding before the Commission;

(5) The Commission referred to, considered and used as the basis of the prescribed divisions of the rates between respondents "the first class Southwestern scale," although said scale was not introduced in evidence in the proceeding before the Commission;

(6) The Commission by its report and order of June 10, 1929, prescribed divisions of rates which now apply upon a substantial portion of the traffic interchanged between respondents via the gateways involved in this proceeding, although the present rates were prescribed in Consolidated Southwestern Cases, 123 I. C. C. 203, and became effective subsequent to the close of the evidence in the proceeding before the Commmission and were not in evidence therein;

(7) The Commission assumed and used as the basis for prescribing a so-called "rate pro-rate" of joint rates applying on traffic interchanged by respondents via the gateways involved in this proceeding, assumed rates within Western Trunk Line Territory, which were not introduced in evidence, which do not exist, and which are higher than the actual rates within that territory;

(8) The Commission found or assumed that cost per unit of handling traffic diminishes progressively with the increase in the distance of the haul in the same manner and in the same ratio as the rate per mile diminishes under the first class Southwestern mileage scale of rates, although no evidence to this effect was introduced in this proceeding, and petitioners respectfully allege that it is not a fact;

[fol. 37] (9) The Commission found or assumed that just, reasonable, and equitable divisions of the joint rates involved would be arrived at by dividing the revenues therefrom in the following proportions, to-wit: The proportion to respondents in the Southwestern Territory to be upon the basis of the first class Consolidated Southwestern rates for the distance the traffic is transported by such respondents, and the proportions to the Western Trunk Line respondents to be a stated percentage of the said first class rate under the Consolidated Southwestern scale applicable to the distance the traffic was hauled by said Western Trunk Lines respondents, all as more particularly set out hereinbefore. Petitioners allege that neither the Commission nor

the complainants introduced in evidence or submitted to petitioners this proposed basis of the divisions of said joint rates; that there was no evidence introduced in the proceedings before the Commission showing or tending to show that such basis of divisions would be just, reasonable and equitable, or showing or tending to show that such basis of divisions would accord to respondents in either group, nor to the individual respondents in either group, that portion of the joint revenues to which they were entitled, and no evidence was introduced in the proceeding before the Commission to show what effect the use of such a basis of divisions would have upon the revenues of your petitioners and other carriers in the Southwestern Region, either in the aggregate, or individually; that the petitioners' first knowledge of the aforesaid basis or formula, or of the intention of the Commission to use or prescribe such basis or formula, was when the Commission's original report was served upon them; and that petitioners have not had any opportunity to introduce evidence or testimony, or to show by cross examination or otherwise the practical workings or effect of the use of said formula, or to show whether or not the formula in fact accords to them just, reasonable and equitable divisions of the joint rates involved.

Your petitioners further allege that the consideration by the Commission of the aforesaid matters and things which were not in evidence, and each of them, was unlawful and in violation of the due process clause of the Fifth Amendment to the Constitution of the United States, and that by reason thereof the aforesaid order of the Commission is null and void.

17. Petitioners further allege that the Western Trunk Line carriers, in connection with this proceeding, had secured by negotiation increases in divisions which it was estimated would yield additional revenue of about $3,000,000 per annum (148 I. C. C. 458), and the Commission failed to add that amount to the revenues of the Western Trunk Line carriers, or to otherwise take it into consideration, in computing the relative "costs of service, including a fair return on investment" in the two groups, and for that reason the said order of the Commission is arbitrary, unreasonable, and void, in conflict with the said statutes,

and wih the due process clause of the said Fifth Amendment.

18. Petitioners allege that although the Commission found that the relative cost of service within the Western Trunk Line group and the Southwestern group [fol. 38] is the vital factor, neither the Commission nor any of the so-called complainants presented any evidence in the proceeding before the Commission as to cost of operation upon or the revenues derived from that portion of the lines of the complainants within Western Trunk Line Territory as described in the Commission's report, and the only evidence before the Commission with reference to such costs and revenues was the average cost of operation and revenues for the entire systems of the Western Trunk Lines, many of which have substantial mileage extending into other territories where the cost of operation is greater than the cost of operation in that portion of their lines in Western Trunk Line Territory as hereinbefore described; that on pages 90 and 91 of the said petition for rehearing the Commission's attention was called to the fact that witnesses for complainants had testified that cost of operation was considerably greater on portions of their lines west of Western Trunk Line Territory, but the Commission persisted in using such evidence as to cost of operation upon said entire systems; and that, by reason of the foregoing, the reports and order of the Commission are not based upon any proper, competent or substantial evidence and are arbitrary, unreasonable and unlawful and in violation of the provisions of the Fifth Amendment of the Constitution of the United States.

19. Petitioners further allege that the action of the Commission in making an order, the effect of which is to abrogate divisions agreements voluntarily entered into between the Western Trunk Line carriers and the Southwestern carriers, and to deprive the Southwestern carriers, the majority of which are receiving much less than a fair return on their investments, and which carriers as a whole are receiving much less than a fair return on their investments, of a large amount of revenue, (which will be net revenue, since the amount of service to be performed will not be reduced), upon the incomplete and insufficient data

used by the Commission, against the protests of petitioners, for example, in using revenue and other statistics of the entire railroad systems, as above explained, instead of the portions thereof which are located in said Western Trunk Line and Southwestern Regions, in failing to secure and use statistics for the year 1925, 1926, 1927 and 1928, in failing to ascertain the condition of each individual respondent, and to make its order in accordance therewith, and in failing to provide in the order for adjustments or exceptions as to individual carriers, in whole or in part, on proper showing, was so arbitrary, unreasonable and unlawful, that the said order is null and void.

20. Petitioners further allege that the order of June 10, 1929, orders and requires the respondents in the proceeding before the Commission to establish and to maintain after August 1, 1929, (the effective date was afterward postponed to October 1, 1929) and thereafter (until further order of the Commission) to abstain from asking, demanding, collecting or receiving divisions of the joint rates involved upon any bases other than the bases specifically prescribed by the Commission in said order, and that the Com- [fol. 39] mission thereby fixed and prescribed not only the maximum divisions to be paid to the Western Trunk Line respondent, but also the minimum division which the said Western Trunk Line respondents may hereafter receive, and denied to said respondents the right to agree upon or voluntarily accept any lower bases of divisions than those prescribed by said Commission; that the said order applies to all the railroad companies which are made respondents in road companies in the Southwestern Territory and Western Trunk Line Territory which are not made respondents; and which are competitors of petitioners. Petitioners further allege that the Commission has no lawful power or authority to fix or prescribe the minimum divisions of joint rates which common carriers may pay or receive, and that by the issuance of the aforesaid order the Commission exceeded the powers conferred upon it by law, and that said order is unlawful, discriminatory, null, void and of no effect.

21. Petitioners further allege that the Commission by its order requires the Southwestern respondents to pay and

the Atchison, Topeka and Santa Fe Railway Company and the Chicago, Rock Island and Pacific Railway Company to accept and receive increased divisions out of the joint rates involved, notwithstanding the fact that the Chicago, Rock Island and Pacific Railway Company did not participate in the proceeding before the Commission, introduced no evidence, and demanded no increase in divisions, and further that the Commission in its report made no finding as to the financial condition of said carrier; and notwithstanding the fact that the Atchison, Topeka and Santa Fe Railway Company did not demand any increase in divisions from the Southwestern respondents, but at all times actively and vigorously opposed any change in the divisional basis, and contended that the existing divisions were and are just, reasonable, equitable and non-prejudicial; that the Commission in its order requires petitioners to pay increased divisions to the Chicago, Milwaukee, St. Paul & Pacific Railway Company, although it was not a party to said proceeding, and had not been substituted for the Chicago, Milwaukee & St. Paul Railway Company, whose property it purchased at foreclosure sale; and that by reason of the foregoing, the order of the Commission insofar as it requires the Southwestern respondents to pay and the Chicago, Rock Island and Pacific Railway Company, Chicago, Milwaukee, St. Paul and Pacific Railway Company, and/or the Atchison, Topeka and Santa Fe Railway Company to accept and receive divisions upon the bases prescribed by the Commission, is not in accord with the issues in the proceeding before the Commission, is not supported by the Commission's findings and is arbitrary, unlawful, in violation of the Interstate Commerce Act and in violation of the due process clause of the Fifth Amendment to the Constitution of the United States.

22. Petitioners further allege that the traffic to or from points on the lines of carriers operating in Central Freight Association and Official Classification Territories (hereinafter called Eastern Lines), from or to points in the South- [fol. 40] west, when moving via the lines of the Western Trunk Line respondents, is a very substantial proportion of the traffic covered by the report and order of the Commission; that the joint rates on said traffic are first divided with reference to the total hauls east and west of the Mis-

sissippi River; that the divisions west of the Mississippi River are subdivided between the Western Trunk Line carriers and the Southwestern carriers; that the divisions east of the River are sub-divided between the Western Trunk Line carriers and the Eastern Lines; that the Southwestern carriers have no voice in or control over the subdivisions accorded the Western Trunk Lines for service performed by them east of the River but such sub-divisions are determined and agreed upon by and between the Western Trunk Line carriers and the Eastern Lines; but that notwithstanding these facts, the Commission, by its report and order of June 10, 1929, prescribed divisions between the Western Trunk Line respondents and Southwestern respondents based upon the total revenue received by the Western Trunk Lines (for the hauls both east and west of the Mississippi River) and upon the total hauls performed by them; that the Commission did not make the said Eastern Lines parties to the proceeding before it and made no investigation to determine whether the alleged failure of the Western Trunk Line respondents to receive just, reasonable and equitable divisions is the result of the basis of divisions accorded them by the Eastern Lines; that no evidence showing the aforesaid subdivisions east of the Mississippi River was introduced in the proceeding before the Commission; that the Commission failed and refused to make all of the direct connections of the Western Trunk Line respondents, parties to the proceeding before it; and that by reason of the foregoing, the order of the Commission is arbitrary, unlawful and in violation of the Interstate Commerce Act, and the said Fifth Amendment.

23. Petitioners allege that the Commission's formula for dividing the joint rates involved is based upon an assumed level of rates for the carriers in Western Trunk Line territory which is materially higher than the level of rates actually maintained within that territory; that if this assumed level of rates is the proper level for application within Western Trunk Line territory, the carriers within that territory are lawfully entitled to an increase in their rate level, but if such increase in rates were accorded them, then their financial condition would be materially improved and the Commission has no means of ascertaining what basis of divisions should be

accorded the carriers in the two groups if the assumed level of rates were established in Western Trunk Line territory; that the class rates within Western Trunk Line territory are now under investigation in a proceeding before the Commission; and that, by reason of the foregoing, the reports and order of the Commission are based upon insufficient evidence, and are arbitrary, unreasonable and unlawful.

24. That the Commission could not lawfully make an order fixing divisions of the said joint rates without taking into consideration the situation, financial and otherwise, of [fol. 41] each individual carrier which was a party to the joint rates; that such requirement was not satisfied by the statements of averages for groups of carriers which were used by the Commission; that the tables used by the Commission in its opinion, showing the return upon investment of the various carriers, showed that the financial conditions of the different carriers in the Southwestern Group were widely dissimilar, some of said carriers earning nearly a reasonable return and some earning practically no return, or a small return, so that the tables and data used by the Commission not only did not show by typical evidence that conditions in the Southwestern Group were so similar that a common divisional order could be made which would result in substantial justice to all respondents in the said group, but, on the contrary, the tables and data used by the Commission conclusively showed that conditions were so dissimilar that no common divisional order could be made which would result in substantial justice to all the respondents affected by the said order, and the same thing was true as to the respondents in the Western Trunk Line group. For the above reason, the said order of the Commission is null and void and denies to petitioners due process of law.

25. All the evidence, and the findings of the Commission, show that none of the petitioners herein is earning a reasonable return upon its investment, and the order of the Commission which takes from each of the said petitioners a portion of its revenue is, consequently, confiscatory, null and void, and a deprivation of the property of each of said petitioners without due process of law.

26. That the burden of proof in this proceeding was upon the Interstate Commerce Commission which instituted the proceeding upon its own initiative, and upon the Western Trunk Line respondents which were termed complainants by the Commission; that the said parties have failed to sustain the burden of proof, and the order of the Commission is therefore arbitrary and void.

27. The examiner of the Interstate Commerce Commission who presided at the taking of the testimony in this proceeding repeatedly stated that this proceeding was not a financial case; that is, that it was not to be decided according to the financial condition of the various respondents, or of the two groups. The vital point upon which the Commission decided the matter was the financial necessities and abilities of the two groups of railroads. The petitioners therefore had no notice of the issue upon which the case was decided, and the order of the Commission is therefore arbitrary, null and void, and in conflict with the due process clause of the Constitution of the United States.

28. That the Commission made an order requiring the following respondents: The Beaumont, Sour Lake & Western Railway Company, The Fort Worth & Denver City Railway Company, The Galveston, Harrisburg & San Antonio Railway Company, Houston & Shreveport Railroad Company, Kansas, Oklahoma & Gulf Railway Company, [fol. 42] Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Morgan's Louisiana & Texas Railroad & Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville & Mexico Railway Company, St. Louis, San Francisco & Texas Railway Company, San Antonio & Aransas Pass Railway Company, Texas & New Orleans Railroad Company, and Vicksburg, Shreveport & Pacific Railway Company, so-called defendants, to pay increased divisions to the Western Trunk Line respondents, although there are no facts stated or findings or conclusions by the Commission as to the individual financial condition, or other facts bearing upon the proper basis of divisions as to any of the said respondents, and the Commission ordered the payment of increased divisions to the following so-called complainants among the respondents: Chicago & Northwestern

Railway Company, The Chicago, Rock Island & Pacific Railway Company, The Chicago, Rock Island & Gulf Railway Company, Chicago, St. Paul, Minneapolis & Omaha Railway Company, The Minneapolis & St. Louis Railroad Company and W. H. Bremner, Receiver, and Minneapolis, St. Paul & Sault Ste. Marie Railway Company, although no facts are stated or findings or conclusions made by the Commission in its said reports as to the individual financial condition, or other facts bearing upon proper divisions as to any of the said complainants; and that the facts stated as to the other individual respondents are entirely insufficient to base any conclusion or order on. Petitioners allege that for the above reason also, the said order of the Commission is null and void.

29. The findings and conclusions of the Commission, and all the evidence introduced in the said proceeding, are insufficient to sustain the said order, and the same is therefore arbitrary, unlawful and void, and deprives petitioners of their property without due process of law, in violation of the said Fifth amendment.

All of the matters herein alleged petitioners offer to prove.

For all of the reasons above stated, the said order of the Commission is arbitrary, unreasonable, unlawful and void and in violation of the provisions of the Interstate Commerce Act and of the due process clause of the Fifth amendment to the Constitution of the United States.

Petitioners allege that some of the so-called complainants are insolvent and unable to respond in damages or to make refunds of any of the divisions which would come into their possession, should the said order of the Interstate Commerce Commission take effect and later be judicially held to have been unlawfully made and entered. Petitioners further allege that said order will take so much of the net revenues of some of the said petitioners as to seriously endanger their ability to pay their operating expenses, taxes, interest and dividends. The said order of the Interstate Commerce Commission provides that it shall take effect on October 1, 1929, and, unless it be suspended or set aside by an order of this Court, will work irreparable damage to each and all of the petitioners.

Wherefore, petitioners pray that upon the filing and presentation of this petition, a temporary or interlocutory [fol. 43] injunction suspending, restraining and enjoining the operation of the said order of the Interstate Commerce Commission herein complained of, be made by the Court, after a notice of five days to the Interstate Commerce Commission and the Attorney General of the United States, because of the irreparable damage which will result to petitioners unless such suspension be made or such temporary or interlocutory injunction be granted, and that the Commission be restrained from taking any steps or instituting any proceedings to enforce the said order, pending a hearing on this petition; that upon the hearing of this cause a decree be entered setting aside and annulling the said order of the Interstate Commerce Commission and perpetually enjoining and restraining the enforcement of the said order, and that petitioners may be granted such other and further relief as to the Court may seem meet and proper.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for All Petitioners.

Duly sworn to by H. A. Weaver. Jurat omitted in printing.

[fol. 44] APPENDIX 1 TO AMENDED PETITION

Order

AT A GENERAL SESSION OF THE INTERSTATE COMMERCE COMMISSION, HELD AT ITS OFFICE, IN WASHINGTON, D. C., ON THE 8TH DAY OF OCTOBER, A. D. 1923

No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

The Commission having under consideration the matter of divisions of freight rates and charges in Western and

Mountain-Pacific territories as defined in Increased Rates, 1920; 58 I. C. C. 220, 58 I. C. C. 302, and 58 I. C. C. 489;

It is ordered, that a proceeding of inquiry and investigation be, and it is hereby, instituted for the purpose of determining whether the divisions of said rates or charges are and for the future will be unjust, unreasonable, inequitable, or unduly preferential or prejudicial as between or among the respondent carriers hereinafter named, within the meaning of paragraph (6) of section 15 of the Interstate Commerce Act, with a view to prescribing just, reasonable and equitable divisions of rates and charges to be received by the several carriers in the event that existing divisions are determined to be unjust, unreasonable, inequitable or unduly preferential or prejudicial;

It is further ordered, that The Atchison, Topeka and Santa Fe Railway Company; The Beaumont, Sour Lake & Western Railway Company; The Chicago and Alton Railroad Company, William W. Wheelock and William G. Bierd, Receivers; Chicago & North Western Railway Company; Chicago, Burlington & Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, Milwaukee and St. Paul Railway Company; The Chicago, Rock Island and Gulf Railway Company; The Chicago, Rock Island and Pacific Railway Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; The Colorado and Southern Railway Company; The Denver and Rio Grande Western Railroad Company, T. H. Beacom, Receiver; El Paso and Southwestern Company; Fort Worth and Denver City Railway Company; The Galveston, Harrisburg and San Antonio Railway Company; Great Northern Railway Company; Gulf, Colorado and Santa Fe Railway Company; Houston and Shreveport Railroad Company; Houston & Texas Central Railroad Company; The Houston East and West Texas Railway Company, Illinois Central Railroad Company; International-Great Northern Railroad Company; The Kansas City, Mexico & Orient Railroad Company, Wm. T. Kemper, Receiver; Kansas City, Mexico and Orient Rail-
[fol. 45] way Company of Texas; The Kansas City Southern Railway Company; Kansas, Oklahoma & Gulf Railway Company; Los Angeles and Salt Lake Railroad Company; The Minneapolis & St. Louis Railroad Company, W. H.

Bremner, Receiver; Minneapolis, St. Paul & Sault Ste. Marie Railway Company; Missouri-Kansas-Texas Railroad Company; Missouri-Kansas-Texas Railroad Company of Texas; Missouri Pacific Railroad Company; New Orleans, Texas & Mexico Railway Company; Northern Pacific Railway Company; Northwestern Pacific Railroad Company; Oregon Short Line Railroad Company; Oregon-Washington Railroad & Navigation Company; Panhandle and Santa Fe Railway Company; Quincy, Omaha & Kansas City Railroad Company; The St. Joseph and Grand Island Railway Company; The St. Louis, Brownsville and Mexico Railway Company; St. Louis-San Francisco Railway Company; St. Louis, San Francisco and Texas Railway Company; St. Louis Southwestern Railway Company of Texas; The San Antonio and Aransas Pass Railway Company; San Diego and Arizona Railway Company; Southern Pacific Company; Spokane International Railway Company; Spokane, Portland and Seattle Railway Company; The Texas and Pacific Railway Company, J. L. Lancaster and Charles L. Wallace, Receivers; Union Pacific Railroad Company and The Western Pacific Railroad Company be, and they are hereby, made respondents in this proceedings;

And it is further ordered, that this case be assigned for hearing at such times and places as the Commission may hereafter direct.

By the Commission:

George B. McGinty, Secretary. (Seal.)

[fol. 46] APPENDIX 2 TO AMENDED PETITION

BEFORE THE INTERSTATE COMMERCE COMMISSION

I. C. C. Docket No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

Petition of Respondents in Southwestern Territory for an Order Making Various Other Carriers in Southwestern Territory Respondents in This Proceeding

Now come Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Mis-

souri Pacific Railroad Company, St. Louis-San Francisco Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, Kansas City Southern Railway Company, Galveston, Harrisburg & San Antonio Railway Company, Houston & Shreveport Railroad Company, Houston East & West Texas Railroad Company, Morgan's Louisiana & Texas Railroad & Steamship Company, Texas & New Orleans Railroad Company, The Texas & Pacific Railway Company, respondents herein, on behalf of themselves and such other respondents similarly situated as may desire to join herein, and respectfully request this Commission to issue an order making the carriers, hereinafter referred to, respondents in this proceeding, and in support of this petition represent and show unto this Commission as follows:

On October 8, 1923, this Commission, having under consideration the matter of divisions of freight rates and charges in Western and Mountain-Pacific Territories, entered an order herein upon its own motion directing that an inquiry and investigation be instituted for the purpose of determining whether the divisions of said rates or charges were and for the future would be unjust, unreasonable, inequitable or unduly preferential or prejudicial as between or among the respondent carriers named in said order within the meaning of paragraph six of section 15 of the Interstate Commerce Act, with a view to prescribing just, reasonable and equitable divisions of rates and charges to be received by the several carriers in the event that the existing divisions were determined to be unjust, unreasonable, inequitable or unduly preferential or prejudicial. By this order various carriers were made respondents in this proceeding, including a number of the principal lines operating in Southwestern territory. Originally the hearings in this proceeding were confined to the divisions of rates [fol. 47] between the transcontinental lines and the Western Trunk Lines. On June 17, 1925, however, this Commission issued a notice assigning this proceeding for further hearing at Chicago, July 7, 1925, before Examiner Disque, at which time it was stated in said notice testimony would be received with reference to the matter of divisions of joint rates between Western Trunk Line territory and Southwestern territory. On July 6, 1925, this Commission issued

a notice canceling the hearing set for July 7, 1925, at Chicago. On August 26, 1925, notice was issued assigning this proceeding for hearing October 14, 1925, at Chicago, before Examiner Disque, when evidence would be received only with respect to divisions between Western Trunk Line territory and Southwestern territory. On September 23, 1925, this Commission issued an order naming certain additional Southwestern carriers as respondents herein. At the hearing on October 14, 1925, the Western Trunk Line carriers introduced a part of their testimony in chief but did not complete their evidence and the hearing was adjourned to November 16, 1925, at Chicago, to enable them to complete their case.

Respondents attach hereto, marked "Appendix A," a list of carriers in Southwestern territory not now parties hereto which they request this Commission by an appropriate order to make respondents in this proceeding. Respondents state that said carriers unite with them in the publication of joint rates, the divisions of which are involved herein, participate in the transportation of the traffic to which said joint rates apply and receive substantial divisions and earnings out of said joint rates. Many of the divisions in Southwestern territory have been fixed by this Commission, such as those between the so-called tap lines and trunk lines, between the Missouri & North Arkansas Railway Company and its immediate connections and between the Kansas City, Mexico & Orient lines and their immediate connections, but the present proportions should not remain stationary if the primary divisions are readjusted. As the record now stands, however, no order can be made by this Commission affecting their revenues.

Respondents further state that since this is an investigation of divisions instituted by the Commission on its own motion it should not content itself with dealing with the main or primary divisions of the joint rates between the immediately connecting Western Trunk Lines and Southwestern lines north and south of the gateways of Kansas City, St. Louis, Cairo, Thebes, etc., but should also deal with and prescribe the necessary readjustment of divisions which apply in subdividing the revenue accruing to all lines participating in the joint rates in Southwestern territory.

Respondents further allege that if, as a result of this inquiry and investigation, the Western Trunk Lines are ac-

corded increases in their divisions, and the carriers listed in Appendix A are not made respondents herein, these respondents will be compelled to absorb the entire increases out of their divisions. The result will be that these respond- [fol. 48] ents will receive divisions of rates which are unjust, unreasonably low, inequitable and inadequate for the service performed by them. Moreover, if the divisions of these respondents are reduced and the shares of all other lines which participate in the joint rates and the transportation of the traffic in Southwestern territory, including the lines named in Appendix A hereto, are left unchanged, controversies will immediately arise as to a readjustment of the divisions between these respondents and said carriers, and this Commission will be called upon to determine and prescribe the divisions which shall be received by the various carriers within Southwestern territory. Such controversies will result in a multiplicity of proceedings before this Commission. Hence, these respondents contend that in justice and fairness to them any readjustment of the primary divisions as between the Western Trunk Lines and Southwestern lines should be accompanied by a simultaneous readjustment of the divisions between all lines participating in the joint rates and transportation of the traffic in Southwestern territory, and that such readjustment should not be left to future proceedings before this Commission, but should be determined and prescribed herein. Respondents state that it is entirely practicable to fix the subdivisions of the rates in Southwestern territory in this proceeding and that no delay will result from making the carriers listed in Appendix A parties to this case.

Wherefore, respondents pray that an order issue making the carriers listed in Appendix A hereto respondents in this proceeding.

Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, by C. S. Burg, Their Attorney. Missouri Pacific Railroad Company, by H. H. Larimore, Its Attorney. St. Louis-San Francisco Railway Company, by M. G. Roberts, Its Attorney. St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, by J. R. Turney, Their Attorney. Kansas City Southern

Railway Company, by W. E. Davis, Its Attorney. Galveston, Harrisburg & San Antonio Railway Company, Houston & Shreveport Railroad Company, Houston East & West Texas Railroad Company, Morgan's Louisiana & Texas Railroad & Steamship Company, Texas & New Orleans Railroad Company, by Baker, Botts, Parker & Garwood, J. R. Bell, G. H. Muckley, Their Attorneys.

[fol. 49] APPENDIX 3 TO AMENDED PETITION

14028

INTERSTATE COMMERCE COMMISSION

No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

Submitted January 13, 1928. Decided December 10, 1928

Basic formulas prescribed for the determination for the future of the just, reasonable, and equitable divisions in the aggregate which shall accrue to respondents north and south of the gateways of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., of the joint rates applying via said gateways on freight traffic between points in western trunk-line territory and points in the Southwest, and also of the western lines' share of the joint rates applying on freight traffic via said gateways between points in the Southwest and points in the territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian railways between Cincinnati, Ohio, and Norfolk, Va.

Silas H. Strawn, Ralph M. Shaw, R. N. VanDoren, H. T. Dick, J. N. Davis, M. N. Joyce, K. F. Burgess, L. H.

Strasser, R. V. Fletcher, and Frank H. Towner for western trunk lines.

C. S. Burg, M. G. Roberts, H. H. Larimore, W. E. Davis, J. R. Turney, J. R. Bell, G. H. Muckley, T. D. Gresham, Elmer Westlake, F. E. Andrews, and R. S. Outlaw for southwestern lines.

Report of the Commission

EASTMAN, Commissioner:

This proceeding, instituted on our own motion, is an inquiry into the propriety of the divisions of the joint rates of the principal carriers in the territory covered by the western and mountain-Pacific groups, as defined in Increased Rates, 1920, 58 I. C. C. 220.

After extended hearings an agreement was reached by respondents, with the aid of our examiner, with respect to the divisions in the aggregate east and west of St. Paul, Minneapolis, and Minnesota Transfer, Minn., and of the Missouri River crossings, Kansas City, Mo., to Sioux City, Iowa, inclusive, of joint rates between Chicago and Peoria, Ill., St. Louis, Mo., and related points in western trunk-line territory, on the one hand, and points in Pacific coast territory, on the other. These revised divisions became effective July 1, 1925. In connection with this agreement, revised divisions, east and west of the Minnesota and Mis- [fol. 49a] souri River gateways mentioned, of joint rates between Chicago, Peoria, St. Louis, and related points in western trunk-line territory, on the one hand, and points in trans-Missouri territory, on the other, including, via Kansas City, points in Oklahoma on the Atchison, Topeka & Santa Fe,[1] Chicago, Rock Island & Pacific,[2] and Missouri Pacific, were also agreed upon and made effective on the same date, without having been made the subject of a hear-

[1] Hereinafter called the Santa Fe.

[2] Hereinafter called the Rock Island.

[3] Embracing the States of Iowa, Minnesota, Wisconsin, Illinois, North Dakota, South Dakota, Missouri, on and north of the main line of the Missouri Pacific between Kansas City and St. Louis, and the Upper Peninsula of Michigan.

ing. The readjustment of divisions under these settlements is yielding the lines east of the gateways amounts variously estimated of record, the maximum estimate being about $3,000,000 per year.

This report deals only with the divisions in the aggregate north and south of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., respectively, of joint rates between points in western trunk-line territory generally east of the Missouri River [3] and points in the Southwest.[4]

Our order of investigation included divisions via Mississippi River crossings south of Cairo, but no question is presented with respect thereto at this time. Divisions on traffic to and from points in western Louisiana within the switching limits of New Orleans, La., and on traffic via Kansas City to and from points in Oklahoma on the Santa Fe, the Rock Island, and the Missouri Pacific, covered by the agreement as to trans-Missouri divisions, are likewise eliminated from present consideration. The divisions under consideration relate not only to traffic having origin and destination in the territories mentioned, but also include divisions of the western lines' portions of the joint rates on traffic moving between points in the Southwest and points in territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian between Cincinnati, Ohio, and Norfolk, Va., including New England and the Lower Peninsula of Michigan.

For convenience the western trunk lines, actively seeking increases in their divisions, will be referred to as complainants, and the southwestern lines, in the main seeking merely to hold what they have, will be spoken of as defendants. Complainants [5] are principally the important

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[3] Embracing the States of Texas, Arkansas, Oklahoma, Louisiana, west of the Mississippi River, and Missouri, south of the main line of the Missouri Pacific between Kansas City and St. Louis.

[4] Chicago & Alton; Chicago & North Western; Chicago, Burlington & Quincy; Chicago Great Western; Chicago, Milwaukee & St. Paul; Chicago, St. Paul, Minneapolis &

lines in western trunk-line territory that have little or no [fol. 49b] trackage in the Southwest, and defendants [6] are principally the important lines in the Southwest that have little or no trackage in western trunk-line territory. The Santa Fe, operating important lines in both territories, chooses to regard itself for the purposes of this proceeding as a southwestern line. The Rock Island, however, likewise having important lines in both territories, apparently is neutral, although when the divisions to and from the Pacific coast territory were considered it aligned itself with the western trunk lines.

Complainants and defendants alike admit that the divisions in question conform to no systematic and consistent plan, but they are not particularly interested in the revision of individual divisions. What complainants seek and defendants oppose is primarily a finding that the former are entitled to substantially increased revenue in

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Omaha; Illinois Central; Minneapolis & St. Louis; Minneapolis, St. Paul & Sault Ste. Marie; Quincy, Omaha & Kansas City; Chicago & Eastern Illinois; and Wabash. The Minneapolis, St. Paul & Sault Ste. Marie, however, took no part in the proceeding.

[6] Atchison, Topeka & Santa Fe; Beaumont, Sour Lake & Western; Chicago, Rock Island & Gulf; Chicago, Rock Island & Pacific; Fort Worth & Denver City; Galveston, Harrisburg & San Antonio; Gulf, Colorado & Santa Fe; Houston & Shreveport; Houston & Texas Central; Houston East & West Texas; International-Great Northern; Kansas City, Mexico & Orient; Kansas City, Mexico & Orient of Texas; Kansas City Southern; Kansas, Oklahoma & Gulf; Kansas City, Oklahoma & Gulf of Texas; Louisiana Railway & Navigation; Louisiana Railway & Navigation of Texas; Louisiana Western; Missouri-Kansas-Texas; Missouri-Kansas-Texas of Texas; Missouri Pacific; Morgan's Louisiana & Texas; New Orleans, Texas & Mexico; Panhandle & Santa Fe; St. Louis, Brownsville & Mexico; St. Louis-San Francisco; St. Louis, San Francisco & Texas; San Antonio & Aransas Pass; Texas & Pacific; St. Louis Southwestern; St. Louis Southwestern of Texas; Texas & New Orleans; Texarkana & Fort Smith; and Vicksburg, Shreveport & Pacific.

the aggregate out of the traffic under consideration, and a fixation of divisions appropriate to that end.

The present divisional bases are so numerous and vary so widely that an attempt to describe them would unduly extend this report and serve no useful purpose. They are shown of record in great detail. There are so-called merchandise divisions, applying on traffic in general, and various special divisions for a number of commodities, of which lumber and oil are by far the most important. By oil we mean petroleum and its products. Most of the bases were established during the period from 1892 to 1896, inclusive, but the divisions on oil from Oklahoma via Kansas City are the result of arbitration as late as 1916. The bases generally apply between large groups of points. Just how they were arrived at is not disclosed and probably is not now known. No doubt they were the result of bargain and trade and plainly they are not definitely related to any of the criteria which we must consider in determining just, reasonable, and equitable divisions.

In the aggregate these divisions yield the southwestern lines considerably more than they would receive under a mileage prorate. Complainants contend that the record justifies the use of such a prorate and, subject to certain exceptions noted below, they seek relief on that basis. The resulting increase in their revenues would probably amount to between $2,000,000 and $2,500,000 per year. They are willing that the southwestern lines should deduct their [fol. 49c] usual differentials before dividing the rates on traffic to and from Texas differential territory; and as to traffic via Kansas City to and from points in Oklahoma and southwestern Missouri on the Kansas City Southern, Missouri-Kansas-Texas, and St. Louis-San Francisco, they are willing to accept in lieu of a mileage prorate an increase in the merchandise divisions of 14 per cent, special divisions on particular commodities to remain unchanged. This would be in harmony with the increase granted them by the Santa Fe, the Rock Island, and the Missouri Pacific in connection with the trans-Missouri and transcontinental agreements of 1925. The 14 per cent increase would still yield the western trunk lines substantially less than they would get under a mileage prorate, but they are willing to forego that basis on this traffic in their desire not to interfere with the agreement made with the Oklahoma lines named.

Complainants are willing to eliminate from the case the divisions on lumber. The rates on lumber from the Southwest to destinations in Iowa, Minnesota, and other States were originally based on the Cairo, Gale, or Thebes combinations, and via those gateways were divided as made. The combinations on St. Louis and East St. Louis have generally been higher, but joint rates were provided via those gateways equal to the combinations on the lower crossings named. In the division of these joint rates the lines south of St. Louis and East St. Louis for years received 18 cents per 100 pounds, or 1 cent less than the corresponding locals, but later, when the St. Louis Southwestern extended its line into St. Louis, it demanded its local of 19 cents. A dispute immediately arose and in Rates on Lumber and Other Forest Products, 31 I. C. C. 673, we required the St. Louis Southwestern to accept 18 cents, the same as its competitors did Subsequently, the carriers themselves adopted 18 cents as the division of the joint rate to destinations in Illinois and Wisconsin. As modified by the subsequent general increases and reduction this basis still stands. To some extent, due to carrier competition, it has influenced the divisions via Kansas City. A mileage prorate on lumber would yield complainants some additional revenue, but the present basis produces results sufficiently close to be reasonably satisfactory to them. Complainants are also willing to eliminate the divisions on oil from Oklahoma via Kansas City, in view of the agreement with the Santa Fe, the Rock Island, and the Missouri Pacific above mentioned. Defendants are not willing that the divisions on lumber and oil be eliminated, either in whole or in part. They expect their divisions on these commodities to be increased if they suffer any reductions in the merchandise and general commodity divisions.

[fol. 49d] Two tests of the carload traffic involved were made, one [7] by complainants in the month of June, 1924, and the other [8] by defendants in the month of October of the

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[7] Embraces all carload traffic between points in the Southwest, not including points in Texas differential territory or on short lines, and points on the Chicago & Alton, Chicago & Eastern Illinois, Chicago & North Western, Chicago, Great

same year. There are no similiar data of record as to the less-than-carload traffic. More than two-thirds of the carload traffic is northbound. In the October test out of a total of 21,964 cars, 15,630 moved northbound and 6,334 southbound. This is accounted for by the predominance of the oil and lumber traffic, as is indicated by the following table:

	Ton-miles		Revenue	
	Amount	Per cent	Amount	Per cent
June test:[1]				
Lumber	41,012,592	18.6	$356,402.35	16.1
Oil	126,505,604	57.4	1,104,798.14	49.9
Other traffic	53,625,285	24.0	753,683.88	34.0
October test:				
Lumber	99,480,075	22.5	784,419.00	17.2
Oil	130,781,749	29.7	1,108,404.00	24.3
Other traffic	211,252,424	47.8	2,666,445.00	58.5
Combined:				
Lumber	140,492,667	21.2	1,140,821.35	16.8
Oil	257,287,353	38.9	2,213,202.14	32.7
Other traffic	264,277,709	39.9	3,420,128.88	50.5

Most of the oil moves from Oklahoma via Kansas City and much of the lumber from Louisiana via East St. Louis. The remainder of the carload traffic is mainly northbound mineral and agricultural products, and southbound mineral, agricultural, and industrial products. About two-thirds of the carload traffic moves via Kansas City and most of the

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Western, Chicago, Milwaukee & St. Paul, Chicago, St. Paul, Minneapolis & Omaha, Illinois Central, Minneapolis & St. Louis, and Wabash. It also includes traffic to and from points in official territory east of the Indiana-Illinois State line in which the carriers named participated.

[8]Embraces all carload traffic between points in the Southwest and points in western trunk-line territory, not including North Dakota and South Dakota, and also all carload traffic between points in the Southwest and points in official territory east of the Indiana-Illinois State line in which the western trunk lines participated. It includes traffic to and from points in Texas differential territory and movements of forest products from points on southwestern short lines.

[1]Excluding traffic to and from points in official territory east of Indiana-Illinois State line.

balance via East St. Louis, the proportion via Cairo, Gale, and Thebes being rather light. The following table shows the amount of the carload tonnage, the average hauls per ton and the number of ton-miles via the several gateways for the month of June, 1924, except as otherwise noted:

		Average haul		Ton-miles	
	Tons	North	South	North	South
June test:[a]		Miles	Miles		
Via Kansas City.	172,120	472	418	81,202,133	72,002,275
Via East St. Louis	81,780	274	508	22,427,320	41,555,117
Via Cairo, Gale, and Thebes....	6,204	290	251	1,796,229	1,560,407
Via all gateways.	200,104	405	443	105,425,683	115,107,799
October test:					
Via all gateways.	542,197	348	466	188,605,531	252,908,717

[fol. 49e] Of the traffic in the June test 76.8 per cent originated in, was destined to, or passed through Illinois. The corresponding figure in the October test was 66.9 per cent. Of the traffic in the June test, also, 36.7 per cent of the cars moved to and from points in official territory, the western trunk lines performing only an intermediate service. The corresponding figure in the October test was 13.5 per cent.

The traffic covered by both tests was analyzed in order to determine how the existing divisions compare with those which would result from the application of a mileage prorate basis. The following table summarizes these comparisons in the case of the June test, eliminating the traffic to and from points in official territory east of the Indiana-Illinois State line. In the first column the average hauls of complainants and defendants are shown; in the second, these hauls are stated in terms of percentage of total haul, these being the percentages which would be applied under a mileage prorate; in the third column, the actual percentages of revenue which complainants and defendants receive under existing divisions are shown; while in the last column, headed "Ratio," the revenues thus received are stated in terms of percentage of what would accrue, in each case, under a mileage prorate:

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[a]Excluding traffic to and from points in official territory east of the Indiana-Illinois State line.

	Average haul	Proportion of total haul	Revenue	Ratio
Lumber:	Miles	Per cent	Per cent	Per cent
Western trunk lines	317	38.40	35.68	92.9
Southwestern lines	508	61.60	64.32	104.4
Oil:				
Western trunk lines	447	52.90	50.00	94.5
Southwestern lines	398	47.10	50.00	106.2
Other carload freight:				
Western trunk lines	375	42.86	31.73	74.0
Southwestern lines	500	57.14	68.27	119.5
All carload freight:				
Western trunk lines	405	47.76	41.48	86.8
Southwestern lines	443	52.24	58.52	112.0

In the table which follows, the same information is shown for the October test after eliminating the traffic between official territory and the Southwest in which the western trunk lines participate only as intermediate carriers and also eliminating the traffic to and from points in Texas differential territory and lumber from points on short lines in the Southwest:

	Average haul	Proportion of total haul	Revenue	Ratio
Lumber:	Miles	Per cent	Per cent	Per cent
Western trunk lines	283	36.95	35.47	96.0
Southwestern lines	482	63.05	64.53	102.3
Oil:				
Western trunk lines	421	50.83	47.06	92.6
Southwestern lines	407	49.17	52 94	107.7
Other carload freight:				
Western trunk lines	315	42.56	32.65	76.7
Southwestern lines	425	57.44	67.35	117.3
All carload freight:				
Western trunk lines	346	44.74	37.48	83.8
Southwestern lines	428	55.26	62.52	113.1

[fol. 49f] These tables indicate that the divisions on the oil and lumber traffic are considerably more favorable to complainants than the divisions on other carload traffic. They also show that defendants are receiving, on the average from all of the traffic, divisions which exceed what they would obtain under a mileage prorate by from 12 to 13 per cent. This showing, however, must be considered in connection with the fact that complainants received divisions on the same traffic which were less than they would have received under a mileage prorate by from 13 to 16 per cent. The following table shows, upon the basis of each of the

tests, the percentage by which it would be necessary to increase the mileage of the southwestern lines in order to give them their existing divisions under a strict mileage prorate:

	June test	October test
	Per cent	Per cent
Lumber	12.4	6.8
Oil	12.3	16.4
Other carload freight	61.4	52.9
All carload freight	28.9	34.8

Stated differently, under the existing divisional bases and judged by a mileage prorate, a mile in southwestern territory is worth on the average from 129 to 135 per cent of a mile in western trunk-line territory. Nor does this fully indicate the relative advantage of the southwestern lines, for a mileage prorate is by no means a perfect method of dividing joint rates, even where transportation and other conditions do not differ materially. It results in the same ton-mile revenue for each participating carrier, regardless of the length of haul and of the principle that, other things being equal, ton-mile yields should decrease as distance increases. New England Divisions, 126 I. C. C. 579, 667. It is for this reason that rate prorates or block-mileage plans are often used in preference or that provision is made for minimum divisions of not less than 25 per cent, or some similar percentage. This may be illustrated by the results shown for the lumber traffic in the June test. There the divisional bases appear at first glance to be relatively favorable to the western trunk lines, since the southwestern lines received only 4.4 per cent more revenue than they would have received under a mileage prorate. However, the average hauls were 317 miles for complainants and 508 miles for defendants. Assuming transportation conditions to be the same in both territories and using the southwestern class scale as a measure, a rate prorate would have given complainants 43.7 per cent of the revenue and defendants, 56.3 [fol. 49g] per cent, whereas they actually received 35.7 and 64.3 per cent, respectively. The following table illustrates this point in greater detail:

June Test	Revenue	Mileage prorate	Rate prorate
	Per cent	Per cent	Per cent
Lumber:			
Western trunk lines	35.68	38.40	43.67
Southwestern lines	64.32	61.60	56.33
Oil:			
Western trunk lines	50.00	52.90	51.54
Southwestern lines	50.00	47.10	48.46
Other carload freight:			
Western trunk lines	31.73	42.86	46.62
Southwestern lines	68.27	57.14	53.37
All carload freight:			
Western trunk lines	41.48	47.76	49.00
Southwestern lines	58.52	52.24	50.91
October Test			
Lumber:			
Western trunk lines	35.47	36.95	43.32
Southwestern lines	64.53	63.05	56.68
Oil:			
Western trunk lines	47.06	50.83	50.46
Southwestern lines	52.94	49.17	49.54
Other carload freight:			
Western trunk lines	32.65	42.56	45.70
Southwestern lines	67.35	57.44	54.30
All carload freight:			
Western trunk lines	37.48	44.74	47.27
Southwestern lines	62.52	55.26	52.73

As has been stated, most of the present divisional bases were established more than 30 years ago. Assuming that they were just and reasonable when first established, complainants undertake to show that relative conditions have since that time changed very materially, to the great advantage of defendants. The latter, on the other hand, undertake to show that conditions are still much less favorable in the Southwest than in western trunk-line territory, and that this difference amply justifies the divisions which they now receive.

The proposed report of the examiner contained the following statement, to which no exceptions were filed:

During the last 30 years both western trunk-line territory and the Southwest have enjoyed a substantial increase in population, but the increase in the Southwest has been somewhat greater than in western trunk-line territory. Railroad mileage also has substantially increased in both territories, but the increase in the Southwest has been particularly pronounced. As an agricultural region the Southwest has had

a growth that has far surpassed that of western trunk-line territory. The development of the oil business in the Southwest is of outstanding importance and has no counterpart in western trunk-line territory. Industrial growth, however, has been of less consequence in the Southwest than in western trunk-line territory. These changed conditions have operated to change materially the relative positions of the two groups of carriers to the advantage of those serving the Southwest.

For purposes of more specific comparison, two groups of States may be used, the western trunk-line group including [fol. 49h] Illinois, Wisconsin, Iowa, Minnesota, and Missouri and the southwestern group including Texas, Louisiana, Arkansas, Oklahoma, Kansas, and Missouri. Both groups include Missouri, since it is divided in this proceeding between the two opposing territories. North Dakota and South Dakota are not included in the western trunk-line group, as these States were omitted in the exhibits, apparently because there is litle interchange of traffic on joint rates between them and the Southwest. Their inclusion would operate in the comparisons to the advantage of complainants. Kansas is included in the southwestern group, because much of the traffic from the southwestern States here involved passes through Kansas. The following table shows the increase in property and in railroad mileage for the two groups between certain periods:

Group	Increase in population		Increase in railroad mileage	
	1890-1920 Per cent	1900-1920 Per cent	1890-1920 Per cent	1900-1920 Per cent
Western trunk line.....	51.6	23.9	31.3	15.4
Western trunk line eliminating Illinois	42.6	18.2	36.1	17.1
Southwestern	74.2	38.5	76.5	49.3

It will be observed that while population has increased more rapidly in the southwestern group, so has railroad mileage, and that the disparity is greater in the latter case. The result has been that while the population per mile of railroad increased 7.3 per cent in the western trunk-line group between 1900 and 1920, it decreased 7 per cent in

the southwestern group. Population per square mile of area and per mile of railroad continued to be larger in the former group in 1920, as shown by the following table:

	Population per square mile		Population per mile of railroad	
	1900	1920	1900	1920
Western trunk line	44.2	54.7	344.9	370.1
Western trunk line eliminating Illinois	35.2	41.6	310.1	313.0
Southwestern	19.2	26.6	328.5	305.4

Population, however, is an imperfect index of railroad traffic, as small populations may under certain circumstances produce a large volume of traffic. The value of farm products in the western trunk-line group increased 170.1 per cent between 1909 and 1919, whereas the similar increase in the southwestern group was 222.6 per cent. Comparing 1909 and estimates for 1923, the increases were 51.6 and 124.2 per cent, respectively. The production per acre, however, is materially larger in western trunk-line territory than [fol. 49i] in the Southwest. Persons engaged in industry increased 44.3 per cent in the southwestern group eliminating Kansas, between 1904 and 1921, as compared with an increase of 36.3 per cent in the western trunk-line group, and the similar increases in the case of the value of manufactured products were 237.7 and 173.1 per cent, respectively. The supremacy of the western trunk-line group, however, was very marked, for in 1921 it had 1,258,261 persons engaged in industry and products valued at $7,454,140,000, whereas the corresponding figures for the southwestern group were 466,382 persons and $2,886,337,000. On the other hand there has been an immense increase in the production of oil in the Southwest. For example, in 1900 only 836,000 barrels of crude petroleum were produced in Texas, whereas the production in 1923 was 128,415,000 barrels. The similar figures for Oklahoma were 6,000 barrels in 1900 and 159,873,000 in 1923.

As we have already suggested, the above comparisons measure only imperfectly the extent to which changing conditions have improved the situation of defendants as compared with that of complainants. A better measure is afforded by the increase in density of traffic, although that test

also has its limitations. Unfortunately the record does not show the traffic densities which existed in the nineties when the present divisions were largely established. It does, however, show the change between 1916 and 1924. In this showing Class I carriers operating in both groups are used as the basis, and the comparison is made in two forms, one including the Santa Fe and the Rock Island in both groups and the other eliminating them from both. Some of the carriers, such as the two just mentioned and the Missouri Pacific, the Burlington, the Milwaukee, and the Illinois Central, extend beyond the boundaries of either group, and to this extent the comparisons lack strict accuracy; but they are informative as indicating the general trend. They are given in the following table in terms of ton-miles per mile of road:

	Southwestern group		Western trunk-line group	
	Ton-miles	Per cent of increase	Ton-miles	Per cent of increase
Including Santa Fe and Rock Island in both groups:				
Year 1916	785,212	.....	1,132,555	.....
Year 1924	981,233	24.9	1,240,176	9.5
Excluding Santa Fe and Rock Island in both groups:				
Year 1916	713,775	.....	1,197,675	.....
Year 1924	948,053	32.8	1,304,820	9.0

[fol. 49j] There can be little doubt but that traffic density has increased during the past 30 years in much greater ratio in the Southwest than in western trunk-line territory.

As aforesaid, however, defendants contend that despite the change which has taken place in recent years, transportation conditions are still sufficiently less favorable in the Southwest to justify amply the divisions which they receive. So far as physical characteristics are concerned, the proposed report contained the following summary to which no exceptions were filed:

The physical characteristics of the two territories are quite similar. The terrain in both is generally flat or rolling. The most broken country is that in the Ozark regions of southern Missouri and northwestern Arkansas. The Southwest is the more subject to floods, washouts and other incidents of wet weather, but western trunk-line territory

suffers the handicaps of more severe winters. Upon the whole, there is no great difference in operating conditions, except as results from the greater traffic density in western trunk-line territory.

As proof of the less favorable conditions in the Southwest much evidence was offered to show that the rates in that territory are on a materially higher level than the rates in the western trunk-line region. Particular emphasis was laid upon the class rates, which are much higher in the Southwest. In the following table are shown representative rates in that portion of Illinois where rates are subject to the western classification, established as a result of Illinois Classification, 56 I. C. C. 202, and increased under Intrastate Rates within Illinois, 60 I. C. C. 92; similar rates prescribed in certain portions of Minnesota and North Dakota in Fargo Commercial Club v. A. & W. Ry. Co., 98 I. C. C. 691, and similar rates recently prescribed in the Southwest in the general sotuhwestern revision, the rates being shown in this table in the above order:

	Class 1 Cents	Class 5 Cents	Class E Cents
50 miles	46	16	9
Do	49	18	9
Do	58	22	10
100 miles	54	19	11
Do	64	23	12
Do	79	30	14
150 miles	63.5	22	12.5
Do	79	28	14
Do	97	37	17
200 miles	72.5	25.5	14.5
Do	94	34	17
Do	109	41	19
250 miles	77.5	27	15.5
Do	108	39	19
Do	123	47	22
300 miles	82	28.5	16.5
Do	116	42	21
Do	133	51	23
350 miles	87	30.5	17.5
Do	129	47	23
Do	147	56	26

	Class 1 Cents	Class 5 Cents	Class E Cents
400 miles	91	32	18
Do	137	49	25
Do	157	60	27
450 miles	96.5	34	19.5
Do	147	53	26
Do	167	63	29
500 miles	100.5	35	20
Do	157	57	28
Do	174	66	30

The rates prescribed in the general southwestern revision for the so-called Kansas-Missouri territory, which is in part here included in the southwestern group, are about 7 per cent lower than those shown above for the Southwest [fol. 49k] proper. It should be stated, also, that the Illinois rates shown above have not been approved by us as maximum reasonable rates. The class rates in western trunk-line territory proper, of which the rates shown above which were prescribed in the Fargo case are illustrative, differ widely and are not now upon any consistent basis. They are under review in Ex parte 87 (Sub No. 1), Class Rates Within Western Trunk Line Territory, and the carriers are there proposing substantial increases.

It should also be said that our general class-rate investigations have made it clear that class rates within different territories are often not fairly comparable and that they afford very inaccurate measures of the differences in general rate level. This is so because of differences in the underlying theories upon which they have been constructed. In some territories class rates move carload traffic in considerable volume and are relatively low. This is particularly true of official territory, of which Illinois is really a part. The class rates in that State which are subject to the western classification have been designed to harmonize with these official-territory class rates, and the latter have also had a substantial influence upon the level of the class rates in western trunk-line territory. On the other hand, class rates in the Southwest have been chiefly used for the movement of less-than-carload traffic and are relatively high. Carload traffic in that territory has in the past moved very largely on commodity rates.

The level of commodity rates also appears to be materially higher in the Southwest than in western trunk-line territory. If the large number of comparisons submitted by defendants are typical, the southwestern level is much higher, the difference amounting to as much as 40 or 50 per cent. The force of the comparisons is impaired, however, by the fact that a considerable number of the rates shown are paper rates. Many of them apparently move large volumes of traffic in one territory and little, if any, in the other. The record does not afford any exact measure of the situation. Most of the southwestern commodity rates shown in the comparisons have been modified in the recent general southwestern revision, but it is not likely that the general level has been changed very materially.

Complainants call attention to the fact that in Oklahoma Corporation Commission v. A. & S. Ry. Co., 98 I. C. C. 183, we extended into western trunk-line territory the same scale of rates on cottonseed and related articles as had been prescribed between points in southwestern territory. They further cite Mason City Brick & Tile Co. v. Director General, 107 I. C. C. 702, and Southwestern Brick Cases, 107 I. C. C. 681, to show that the rates which we prescribed on brick in western trunk-line territory are only a little lower [fol. 491] than the rates which we prescribed on the same commodity in the Southwest. They might also have shown that in the various cement-rate cases we have prescribed scales of rates in the Southwest which are the same as those prescribed for the western portion of western trunk-line territory.

Complainants state that they would be willing to accept divisions based on a prorate of the local rates which actually apply to the traffic north and south of the gateways. They introduced an exhibit of 139 representative movements to show that such a prorate would reduce their divisions in 25 instances and increase them in 110. In many instances the local rates shown are class rates north of the gateway and commodity rates south thereof, and defendants criticize the exhibit on the ground that in such instances there is frequently no actual movement under these class rates. This appears to be true in some cases, but by no means in all.

Average freight operating revenues per ton-mile furnish another means of comparing the general level of freight

rates in the two territories. Using Class I carriers as the basis and including the Santa Fe and Rock Island in both groups, the average ton-mile revenue in 1924 was 13.26 mills in the Southwest and 11.295 mills in western trunk-line territory. Excluding these two roads in both groups, it was 13.33 mills in the former and 10.78 mills in the latter. Eliminating all the lines which extend beyond the groups, it was 13.51 mills in the southwestern and 10.35 mills in the western trunk-line group. Judged by these comparisons it appears that the general level of rates was somewhere in the neighborhood of 25 per cent higher in the Southwest than in western trunk-line territory. Average hauls in the same year, inculding the Santa Fe and the Rock Island in both groups, were 232 miles in the Southwest and 221 miles in Western trunk-line territory. Excluding these roads from both groups, they were 201 miles in the former and 204 miles in the latter. Using strictly group lines, they were 191 miles in the southwestern and 167 miles in the western trunk-line group. It is safe to conclude that there were no great differences in average hauls. As for the composition of the traffic in each group, the record contains no information, except that it shows that the average carload was somewhat greater in the western trunk-line group, thus indicating what might have been expected, in view of the coal and ore movements in that territory, that the western trunk lines move a somewhat greater proportion of heavy, low-grade traffic. This is a fact which should be considered in comparing average ton-mile revenues, since it would result, other things being equal, in somewhat higher ton-mile revenue in the Southwest.

[fol. 49m] Statistics comparing traffic densities, operating expenses, and financial conditions were prepared by respondents according to several different theories or methods, with differing results. All of them are open to some measure of criticism. Complainants use only the data of respondent carriers, although the divisions apply for the account of all, or practically all, carriers participating in the transportation. They thus eliminate from the western trunk-line group the Elgin, Joliet & Eastern, Lake Superior & Ishpeming, Duluth, South Shore & Atlantic, and Green Bay & Western. The traffic of these four carriers is peculiar, embracing but little business to and from the South-

west. The two first named are lines of heavy traffic density, particularly the Elgin, Joliet & Eastern; the two last named have only a light density. Complainants' data likewise exclude from the southwestern group the Fort Smith & Western, Louisiana & Arkansas, Midland Valley, Missouri & North Arkansas, Fort Worth & Rio Grande, San Antonio, Uvalde & Gulf, Trinity & Brazos Valley, and Wichita Valley, none of which is a respondent, and all of which are light-density lines. Defendants generally use data of all Class I carriers in the western district which serve either or both of the two groups, and thus include the above-named carriers. Complainants also exclude from their statistics for western trunk-line territory data of the Santa Fe and the Rock Island, both being respondents, and include them only in their showing for the Southwest, although these carriers have rather extensive operations in both territories. Defendants offer statistics with data of the Santa Fe and the Rock Island included in both groups and also with these lines excluded from both groups. Defendants and complainants both include the Missouri Pacific only in the southwestern group, although it operates to some extent in western trunk-line territory. Some of complainants' statistics cover only what may be called the strictly group lines, namely, those which have all or practically all their trackage in either one of the groups, and exclude altogether the Santa Fe, the North Western, the Burlington, the Milwaukee, the Rock Island, the Illinois Central, the Missouri Pacific, and the Wabash, all of which have operations outside of the groups, and all of which are large systems, handling much traffic. Exclusion of these lines leaves in the western trunkline group only the smaller and weaker lines, namely, the Chicago & Alton, Chicago & Eastern Illinois, Chicago Great Western, Chicago, St. Paul, Minneapolis & Omaha, Minneapolis & St. Louis, Minneapolis, St. Paul & Sault Ste. Marie, and Quincy, Omaha & Kansas City.

In 1924 the strictly western trunk lines had a traffic density only slightly higher than that of the strictly southwestern lines, the ton-miles of revenue freight per mile of road being 1,094,493 as compared with 934,583. In 1925 the re- [fol. 49n] spondent western trunk lines, excluding the Santa Fe, the Rock Island, and the Missouri Pacific, averaged 1,335,704 ton-miles per mile of road, whereas the re-

spondent southwestern lines, including those above named, averaged 1,065,663, the former figure being about 25 per cent greater than the latter.

A comparison which is probably more accurate may be obtained by examining densities according to geographical boundaries, rather than according to individual carriers. The following table, compiled from exhibits of record, shows the average traffic density for each of the two territories based on data for the years 1922, 1923, and 1924 of all Class I carriers in the western district which serve the two territories:

	Ton-miles per mile of line
Western trunk-line States:[1]	
Year 1922	1,163,494
Year 1923	1,331,339
Year 1924	1,253,399
Total or average	1,249,411
Southwestern States:	
Year 1922	704,544
Year 1923	809,927
Year 1924	892,086
Total or average	802,186

As may be seen, traffic density was over 50 per cent greater in the western trunk-line group than in the Southwest.

The above data give equal weight to the traffic density in each State. As a matter of fact the densities vary widely. In this connection the following table, also derived from exhibits of record, is enlightening. It shows the density for 1924 in each State embraced in the two groups, based on data on all Class I carriers operating in the western district and serving those States:

Western trunk-line States:	Density
Illinois	2,540,883
Iowa	972,721

[1] The figures include those for the St. Louis-Kansas City line of the Chicago, Rock Island & Pacific, although geographically that line is located in the Southwest as described for the purposes of this proceeding.

	Density
Michigan (Upper Peninsula)	703,893
Minnesota	1,171,066
Missouri (on and north of C., R. I. & P.)	1,443,788
North Dakota	649,424
South Dakota	391,390
Wisconsin	1,107,780
Southwestern States:	
Arkansas	1,043,253
Louisiana (west of Mississippi River)	913,058
Missouri (south of C., R. I. & P.)	1,093,265
Oklahoma	877,045
Texas	812,081

It will be seen that it is the density in Illinois which chiefly accounts for the difference between the two groups. But if the data are weighted according to the proportion of the traffic under consideration that moves from, to, or through [fol. 49o] each State the density is seen to have been considerably more than 50 per cent greater in western trunk-line territory than in the Southwest. The traffic to and from North Dakota and South Dakota is almost negligible and apparently there are but few joint rates between those States and the Southwest. On the other hand, between two-thirds and three-fourths of the traffic moves from, to, or through Illinois, although the haul in that State is relatively small in some instances. Much of this goes via East St. Louis, Cairo, Gale, or Thebes, largely avoiding all western trunk-line territory except Illinois. That which does not move via the gateways named moves via Kansas City and through Iowa and Missouri as well as Illinois. During the years 1922, 1923, and 1924, the traffic density in Illinois averaged more than three times as much, and that in Illinois, Iowa, and northern Missouri combined, more than twice as much, as that in the Southwest. The following table, which may be considered in connection with traffic in general moving between Fort Worth, Tex., on the one hand, and Chicago, Ill., Des Moines, Iowa, and Minneapolis, Minn., on the other, via Kansas City, shows north and south of the gateways for the years 1923 and 1924, combined, the average densities of the States traversed by certain representative routes, and also shows the percentage by which the densities north exceeded those south:

Between—	And—	East and north	West and south	Ton-miles per mile of road: North	Ton-miles per mile of road: South	Ratio[1] per cent
Chicago, Ill	Fort Worth, Tex.	C. & A.	Santa Fe System	2,119,055	954,600	222.0
Do	do	C. G. W.	do	1,755,203	954,600	183.9
Do	do	C., M. & St. P.	do	1,841,482	954,600	192.9
Do	do	C. & N. W.-C. G. W. (via Marshalltown).	do	1,620,553	954,600	169.8
Des Moines, Iowa	do	C. G. W.	do	1,382,134	954,600	144.8
Minneapolis, Minn.	do	do	do	1,190,170	954,600	124.7

[1] Of average density east of Kansas City to that west thereof.

Statistics above discussed, however, have shown that the general trend with respect to traffic density is more favorable to defendants than to complaints. At the argument it was stipulated that we might refer, in the decision of the case, to reports on file with us which had been received since the close of the hearings. Such reports make it possible to compare traffic densities for 1927, computed in the same way as those shown above for 1924:

	Ton-miles per mile of line	Per cent of increase
Western trunk-line States:		
Year 1924	1,253,399	.....
Year 1927	1,325,098	5.7
Southwestern States:		
Year 1924	892,086	....
Year 1927	996,541	11.7

[fol. 49p] The density in the western trun-line States in 1927 exceeded that in the southwestern States by 32.9 per cent, as compared with 40.5 per cent in 1924. Eliminating the Dakotas, the density was 1,498,497 in the western trunk-line group, or 50.4 per cent in excess of the density in the Southwest. Eliminating the Dakotas and also Illinois, it was 1,166,672, or 17 per cent in excess of the southwestern figure. In 1927 the State densities were as follows:

	Density
Western trunk-line States:	
Illinois	2,784,165
Iowa	1,016,773
Michigan (Upper Peninsula)	761,599
Minnesota	1,197,126
Missouri (on and north of C. R. I. & P.)	1,560,799
North Dakota	712,829
South Dakota	412,240
Wisconsin	1,158,585
Southwestern States:	
Arkansas	1,018,589
Louisiana (west of Mississippi River)	882,299
Missouri (south of C. R. I. & P.)	1,077,028
Oklahoma	973,685
Texas	1,013,335

Moreover, the significance of traffic density can easily be overemphasized. It is not shown that expense of operation by any means decreases in ratio to increase in traffic density. Indeed it is probable that the chief benefit of a heavy density is that overhead costs, such as return on investment, are lower per unit of traffic. Overhead, however, does increase as density increases, although much less rapidly as a general rule. The vital thing to ascertain here is obviously the relative cost of service in the two groups, and upon that matter traffic density throws only an indirect and not very illuminating light.

The table below shows the average freight operating expenses per ton-mile in 1924 of Class I carriers operating within the two groups:

	Average expenses Mills
Including Santa Fe and Rock Island in both groups:	
Western trunk lines	8.38
Southwestern lines	9.46
Excluding Santa Fe and Rock Island from both groups:	
Western trunk lines	8.07
Southwestern lines	9.43
Strictly western trunk lines	8.40
Strictly southwestern lines	9.69

Subject to the infirmities which have been pointed out above in connection with other group statistics, these figures indicate that it cost somewhere in the neighborhood of 15 per cent more per ton-mile to haul freight in the Southwest than in western trunk-line territory. Complainants and defendants both introduced considerable evidence to [fol. 49q] prove efficiency and economy in operation, and neither side contested the representations of the other upon this point. Operating expense, however, does not tell the whole story, for there are overhead charges to consider, such as taxes and return on investment, and it is with respect to such overhead that the carriers with the heavier traffic density have the advantage. Average freight revenues per ton-mile are from this point of view better criteria, and we have seen that they were somewhere in the neigh-

borhood of 25 per cent higher in the Southwest than in western trunk-line territory. But such revenues in turn may be partially misleading, for they may have provided a larger return on investment in the one case than in the other. A still better basis for comparison would obviously be the amounts needed in each case to cover operating expenses, taxes and other like charges, and a fair return on investment.

The following table shows for 1924 the book investment[9] in the two groups, the net railway operating income and its per cent on investment, the amount of such income which would have been necessary to produce a 5.75 per cent return, and the amount by which the actual income fell short of this return:

[9] Road and equipment, materials and supplies, and cash.

	Including Santa Fe and Rock Island in both groups		Excluding Santa Fe and Rock Island in both groups	
	Western trunk lines	Southwestern lines	Western trunk lines	Southwestern lines
Book investment	$4,886,282,428	$3,480,105,170	$3,593,117,173	$2,186,939,915
Net railway operating income	$173,499,840	$151,580,221	$118,960,151	$97,040,532
Per cent on investment	3.55	4.36	3.31	4.44
5.75 per cent return	$280,961,240	$200,106,047	$206,604,237	$125,749,045
Deficiency	$107,461,400	$48,525,826	$87,644,086	$28,708,513

The problem is to spread this deficiency between freight and passenger service on a basis fair for present purposes of comparison. The statistics show that the relation between freight and passenger revenues was about the same in both groups, but that the passenger operating ratio was slightly higher in the western trunk-line group than in the Southwest. We have, therefore, first apportioned to passenger revenues in the former group enough of the deficiency to make the passenger operating ratio the same as in the Southwest, and have then apportioned the remainder between the two services in the ratio of their revenues as thus modified. In the case of the southwestern group, we have apportioned the deficiency between the two services in the ratio of their revenues without such prior modification. The result is shown in the following table:

[fol. 49r]

	Including Santa Fe and Rock Island in both groups		Excluding Santa Fe and Rock Island in both groups	
	Western trunk lines	Southwestern lines	Western trunk lines	Southwestern lines
Freight operating revenue	$921,732,151	$664,005,734	$691,968,945	$434,242,528
Deficiency apportionment	$76,681,077	$37,025,205	$65,773,342	$25,464,451
Constructive freight revenue	$998,413,228	$701,030,939	$757,742,287	$459,706,979
Ton-miles (thousands)	81,685,850	50,078,509	64,177,915	32,570,514
Constructive revenue per ton-mile....mills	12.22	14.00	11.81	14.11
Excess in Southwest .....per cent	.....	14.6	.....	19.5
Year 1923:				
Constructive revenue per ton-mile, mills	12.08	14.67	11.61	14.88
Excess in Southwest .....per cent	.....	21.4	.....	28.2

The results for 1923 shown in this table were computed in the same manner as those for 1924. Confining the computations to the strictly group lines, it appears that in 1924 the constructive freight revenue per ton-mile was 12.01 mills in western trunk-line territory and 14.29 mills in the Southwest, an excess for the latter of 18.9 per cent. The effect of these figures is to indicate that the cost of service including a fair return on investment, was somewhere in the neighborhood of 20 per cent greater in the Southwest than in the western trunk-line group, based on averages of 1923 and 1924 operations, and somewhere in the neighborhood of 17 per cent greater based on 1924 operations.

These figures are, of course, open to the criticism that they are either based upon the operations of systems which extend in some instances beyond group boundaries or, in the case of the strictly group lines, upon an incomplete showing of group operations. However, there are reasons to believe that they are not unfair to defendants. In the first place, while both groups contain systems which extend beyond their western boundaries into territory with less favorable operating conditions, the western trunk-line group also contains systems, such as the Wabash and the Illinois Central, which extend beyond its eastern boundary into official territory with its more favorable operating conditions and, in the case of the Illinois Central, into the Mississippi Valley portion of southern territory. In the second place, in Revenues in Western District, 113 I. C. C. 1, 17, we said:

> It is evident that the book values of the southwestern region are on a much less conservative basis than those of the central western and northwestern regions, and that book value can not furnish a fair basis on which to compute the relative rates of return in these three regions.

In the third place, the computations are not confined to the interchange traffic but cover all traffic, and we have seen that there is evidence indicating that a somewhat larger proportion of low-grade heavy-loading traffic is carried by complainants than by defendants. Finally, the [fol. 49s] evidence indicates, as we have already pointed out, that the trend of changing conditions is more favorable to defendants than to complainants.

Relative financial conditions of the two groups of carriers are indicated by the following table showing net railway operating incomes stated in percentages of aggregate book investments:

Period	Including Santa Fe and Rock Island in both groups: Western trunk lines	Including Santa Fe and Rock Island in both groups: Southwestern lines	Excluding Santa Fe and Rock Island from both groups: Western trunk lines	Excluding Santa Fe and Rock Island from both groups: Southwestern lines	Strictly western trunk lines	Strictly southwestern lines
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Year 1916.....	5.74	4.82	5.57	4.03	.....	.....
Year 1917.....	4.94	5.19	4.68	4.92	.....	.....
Year 1921.....	2.96	3.98	2.14	3.25	.....	.....
Year 1922.....	3.42	3.51	3.16	3.12	.....	.....
Year 1923.....	3.73	3.87	3.47	3.53	.....	.....
Year 1924.....	3.55	4.36	3.31	4.44	2.23	4.81
Year 1925.....	3.90	4.55	3.59	4.43	.....	.....
Average ..	3.98	4.30	3.65	3.95	2.23	4.81

This table indicates both the fact that in the later years shown the advantage was with the southwestern group and the fact that the trend of earnings seems to favor that group. Similar rates of return for individual carriers, namely, the principal Chicago-St. Louis and Chicago-Kansas City lines and the prominent southwestern lines, were as follows in 1922 to 1925, inclusive:

	1922	1923	1924	1925
Western trunk line:	Per cent	Per cent	Per cent	Per cent
Chicago & Alton.....	1.05	3.59	2.86	2.87
C. & E. I.....	3.03	3.82	1.62	2.37
C., B. & Q.....	4.52	4.29	4.80	4.60
C. G. W.....	.19	1.54	1.59	1.48
C., M. & St. P.....	1.90	2.81	2.57	2.27
Illinois Central.....	5.92	5.17	4.76	4.76
Wabash	1.77	3.84	3.85	4.84
Southwestern lines:				
A., T. & S. F.....	4.61	5.17	4.63	5.16
C., G. & S. F.....	6.05	5.67	9.04	7.55
H. & T. C.....	4.30	4.44	5.28	4.33
M. E. & W. T.....	2.26	1.75	1.91	7.21
I.-G. N.....	2.87	4.98	5.63	4.52
K. C., M. & O.....	Deficit	.22	Deficit	.24
K. C., M. & O. of Tex.....	Deficit	Deficit	2.41	.47
K. C. S.....	2.88	2.60	2.85	3.49
M-K-T.	4.72	3.78	4.29	4.96
M-K-T. of Tex.....	1.63	1.56	5.03	3.28
Mo. Pac.....	2.09	2.21	3.81	4.14
St. L.-S. F.....	3.99	4.72	5.05	5.23
St. L. S. W.....	7.05	7.44	4.97	4.81
St. L. S. W. of Tex.....	Deficit	Deficit	1.33	1.46
Texas & Pacific.....	2.72	3.84	4.15	4.11

Paragraph (5) of section 15 of the interstate commerce act requires us, in determining just, reasonable, and equitable divisions to give due consideration among other things—

[fol. 49t] to the efficiency with which the carriers concerned are operated, the amount of revenue required to pay their respective operating expenses, taxes, and a fair return on their railway property held for and used in the service of transportation, and the importance to the public of the transportation service of such carriers and also whether any particular participating carrier is an originating, intermediate, or delivering line, and any other fact or circumstance which would ordinarily, without regard to the mileage haul, entitle one carrier to a greater or less proportion than another carrier of the joint rate, fare or charge.

In reaching our conclusions we have taken all these matters into consideration to the extent that the record makes it possible to do so. Obviously it is impossible to apply any mathematical formula which will operate with precision, and it is necessary to be guided by general judgment after considering and weighing as well as we can the evidence before us. The greatest obstacle in securing a satisfactory record has been the difficulty of determining relative costs of service so far as the traffic in question is concerned. It has apparently not been practicable to segregate this traffic for this purpose from the other traffic in the two groups, nor indeed to separate group traffic wholly from operations beyond group boundaries. Summarizing the evidence, so far as salient facts are concerned, it is shown:

1. That the present divisions were established, for the most part, about 35 years ago and conform to no logical or consistent basis. They are considerably more favorable to complainants in the case of oil and lumber than in the case of other forms of traffic.

2. That transportation conditions have changed materially since most of the divisions were established, and that the change has benefited defendants more than it has complainants. The trend is distinctly in favor of defendants.

3. That transportation conditions are nevertheless more favorable in western trunk-line territory than in the South-

west, more particularly with reference to density of traffic. However, conditions vary in the different parts of western trunk-line territory, and appear on this record to be considerably more favorable in Illinois than in the other States included in that region. They grow continually less favorable from east to west.

4. That the difference in transportation conditions is reflected in the level of rates in the two territories. It is not possible from the record to determine just what the difference is in average levels, but it appears to be greater than the difference in average transportation conditions. This is particularly true of the class rates, which have apparently been constructed upon somewhat different theories in the two territories, and are in process of revision in western trunk-line territory.

5. That the cost of operation per ton-mile, including all expenses, charges, and a fair return on investment, in all [fol. 49u] probably does not average as much as 20 per cent higher in the southwestern than in the western trunk-line group.

6. That the financial condition of complainants is not on the whole as good as that of defendants.

The divisions here in issue are dealt with of record on a group basis. They are, in other words, the divisions "in the aggregate" north and south of the gateways named, and no question is raised with respect to the divisions of individual carriers. In our opinion the divisions in issue are not just, reasonable and equitable. Many of them are unjust to complainants, and some of them are unjust to defendants. To cure their defects, they must be readjusted upon a consistent basis which will as nearly as practicable reflect, in the light of all the facts of record, the differing conditions in the two territories. Such a readjustment will, we think, be accomplished if the joint rates are divided, south and north of the gateways, in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale, and the assumed rate for the distance covered by the haul north of the gateway to be 80 per cent of

the first-class rate for that distance under the same scale in the case of traffic to or from points in Illinois and Wisconsin and 87 per cent in the case of traffic to or from other points in the western trunk-line group. Where differentials are added in either territory in making the rates, such differentials should be deducted before prorating and added to the divisions of the lines in the region in which they apply. In the case of traffic to or from points in official territory east of the Indiana-Illinois State line, the assumed rate used in determining complainants' proportion of the revenue accruing to the western lines should be 80 per cent of the first-class rate under the southwestern scale for the distance covered by complainants' haul minus 10 cents because of the absence of originating or delivering service.

It should be understood that in the construction of these bases for the readjustment of the divisions we have not attempted to differentiate closely between the various parts of western trunk-line territory. The evidence indicates that transportation conditions in Illinois are quite different from those in the remainder of the territory, and this difference is recognized in the bases. Wisconsin is included with Illinois because the traffic between the Southwest and Wisconsin very largely passes through Illinois. Complexity in the bases is undesirable, and in our judgment the differentiation provided for between two portions of western trunk-line territory will produce sufficiently accurate and reasonable results in the determination of the divisions of the joint rates in question. The assumed rates used in the [fol. 49v] prorate formulas are intended to reflect general differences in conditions, and are not to be regarded as a necessary measure of the class rates which should be maintained in the two territories or of the rates on any particular commodity. There may, for example, be reasons for a different distribution of the transportation burden among classes and commodities in one territory than in the other, and in the construction of such rates, also, a closer differentiation between various parts of the same territory may be desirable.

That the plan above indicated for the readjustment of the divisions would on the whole add to complainants' revenue is shown by the following table, derived from the June and October tests which are of record. In this table a column

under the heading "Proposed rate prorates" shows results under the 80 per cent basis and a column shows results under the 87 per cent basis.

	Average haul	Revenue	Mileage prorate	Proposed rate prorates	
				80 per cent	87 per cent
June Test					
Lumber:	Miles	Per cent	Per cent	Per cent	Per cent
Western trunk lines....	317	35.68	38.40	38.28	40.27
Southwestern lines.....	508	64.62	61.40	61.72	59.73
Oil:					
Western trunk lines....	447	50.00	52.90	45.97	48.01
Southwestern lines.....	395	50.00	47.10	54.03	51.99
Other carload freight:					
Western trunk lines....	375	31.73	42.86	41.13	43.14
Southwestern lines.....	500	68.27	57.14	58.87	56.86
All carload freight:					
Western trunk lines....	405	41.48	47.76	43.54	45.60
Southwestern lines.....	443	58.52	52.24	56.46	54.40
October Test					
Lumber:					
Western trunk lines....	283	35.47	36.95	37.94	40.00
Southwestern lines.....	482	64.53	63.05	62.06	60.00
Oil:					
Western trunk lines...	421	47.06	50.83	44.90	47.04
Southwestern lines.....	407	52.94	49.17	55.10	52.96
Other carload freight:					
Western trunk lines....	315	32.65	42.56	40.23	42.25
Southwestern lines.....	425	67.35	57.44	59.77	57.75
All carload freight:					
Western trunk lines....	346	37.48	44.74	41.76	43.83
Southwestern lines.....	428	62.52	55.26	58.24	56.17

It should be borne in mind that under the 80 per cent basis the assumed rates used south of the gateways are 25 per cent greater relatively than those used north thereof, and that under the 87 per cent basis they are 15 per cent greater.

After consideration of all the facts of record, therefore, we find that in the case of the joint rates applying on freight traffic via the gateways of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., between points in the Southwest, as defined in this proceeding, and points in the States of Illinois and Wisconsin, subject to the [fol. 49w] exceptions noted below, the just, reasonable, and equitable divisions in the aggregate, south and north of said gateways, will for the future be determined by dividing said joint rates in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the

haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul north of the gateway to be 80 per cent of the first-class rate for that distance under the same scale. We also find that in the case of the joint rates applying on freight traffic via the gateways named above between points in the Southwest, as defined in this proceeding, and points in the remainder of western trunk-line territory, as defined in this proceeding, subject to the exceptions noted below, the just, reasonable and equitable divisions in the aggregate, south and north of said gateways, will for the future be determined by dividing said joint rates in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul north of the gateway to be 87 per cent of the first-class rate for that distance under the same scale. We further find that in the case of joint rates applying on freight traffic via the gateways named above, between points in the Southwest, as defined in this proceeding, and points in the territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian between Cincinnati, Ohio, and Norfolk, Va., subject to the exceptions noted below, the just, reasonable, and equitable divisions of the shares accruing to the western lines will for the future be determined by dividing said shares in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul of the western trunk lines north of the gateway to be 80 per cent of the first-class rate for that distance under the same scale, minus 10 cents. Where differentials are used in the construction of the joint rates, such differentials should be deducted before prorating and added to the divisions accruing to the carriers in the regions where they apply. There to and from points in western Louisiana within the switch- are excepted from the above finding divisions of joint rates

ing limits of New Orleans and also divisions of joint rates applying via Kansas City to and from points in Oklahoma on the Santa Fe, the Rock Island, and the Missouri Pacific which were included within the agreement as to trans-Missouri divisions which is described in the first part of this report.

[fol. 49x] Instead of applying the basic prorate formulas described in the above findings to individual joint rates and routes, both territories may be divided into groups and percentages determined for the division of all joint rates between particular groups by applying the appropriate prorate formula to fair average distances between such groups and the gateways named in the findings. In view of the desirability, for purposes of simplicity and convenience, of the use of such groups in working out the readjustment of the divisions, no order will for the present be entered, but respondents will be given 60 days from the date of service of this report to agree upon an adjustment substantially in accord with the above findings. Full reports should be made to us at the end of this period, indicating what negotiations have been had in this connection and what the results have been.

Woodlock, Commissioner, concurring:

It is with some hesitancy that I concur in this report. We are at one blow sweeping out of existence a multitude of heterogeneous division bases in western trunk-line and southwestern territories and replacing them by a rate-prorate basis, with, however, preservation of existing arbitraries, and with effect given to the difference in the general transportation costs prevailing in the respective territories. It is true that much can be said for the logic which supports this basis in the instant case, and little can be successfully urged against it. The new basis seems, moreover, in the light of the facts of record, likely to produce substantial justice between the two groups of carriers here concerned. Nevertheless, in a revision of this nature where an old order built up over many years is summarily swept away and a neat mathematical formula set in its place, it would appear to be natural, if not inevitable, that the new basis as applied to individual instances will produce results which can not

now reasonably be foreseen. I regard the plan set up in this report, therefore, as in the nature of an experiment and subject to prompt revision if and when the need therefor shall be made to appear following a reasonable period of trial.

BRAINERD, Commissioner, dissenting:

The examiner who heard the evidence in this case found in his report that no such convincing showing was made on the record as to justify the conclusion that the present divisions of the carriers before us, taken in the aggregate, are unreasonable. I am of the opinion that the examiner's conclusion is right. I therefore dissent from the majority's findings.

Existing divisions ought not of course to be disturbed unless we are fairly and reasonably able to find from the evidence as a fact that they are or will be unjust as between [fol. 49y] the carriers parties thereto. Such a determination is a necessary prerequisite to our power to set them aside and prescribe others in their stead. Section 15 (6).

The majority, after making allowances for deficiencies found to exist in the proof, reach the conclusion that upon all traffic, class and commodity taken as a whole, which is interchanged between these carriers in the territory herein considered, the southwestern lines receive too large and the western trunk lines too small a share of the freight revenue.

No facts are mentioned in the report to justify a finding that the present divisions as applied to individual joint rates, to joint rates on particular commodities or classes of commodities or to particular carriers, are unjust and no such finding is made. Nevertheless, the majority conclude that all existing divisions, considered in the aggregate, are and will be unjust because of the opinion that the aggregate result is unjust. But as said by the Supreme Court, "It can not be inferred that every existing division of every joint rate is unjust as between particular carriers, because the aggregate result of the movement of the traffic on joint rates appears to be unjust." U. S. v. Abilene & So. Ry. Co., 265 U. S. 274, 291.

The record shows that two-thirds of the carload traffic here involved moved during the test periods via the Kansas

City gateway; that oil and lumber represents about 60 per cent of the entire traffic interchanged; that the traffic density was over 50 per cent greater in western trunk-line territory than in the Southwest; and that existing divisions on all carload traffic interchanged through all gateways results in approximately 12 per cent greater revenue, in proportion to mileage haul, accruing to the southwestern carriers than to the carriers in western trunk-line territory. The level of class rates in the Southwest is much higher than in western trunk-line territory. It is shown that for a distance of 350 miles the average class-rate level of the Southwest is 174.7 per cent of that in western trunk-line territory similarly computed. The level of commodity rates is also much higher in the Southwest than in western trunk-line territory, and from comparisons submitted of record the examiner estimated this difference as amounting to 40 or 50 per cent. If this showing is at all accurate, it may be fairly concluded that an increase in rates in the western trunk-line territory of from 35 to 40 per cent is justified. But, however that may be, it seems clear that (making due allowance for the fact that more traffic moves on some rates than on others and that possibly no traffic moves on some of them) the division of revenue under existing agreements between the carriers north and south of the gateways no more than reflects the recognized differences in the transportation conditions in the two territories. Stating the question in an- [fol. 49z] other way, it would seem that if the western trunk-line carriers are receiving less revenue than they should receive on traffic interchanged with the southwestern lines, the solution lies not in shrinking the divisions of the southwestern lines, which would result from the majority's report, but in increasing the rates in western trunk-line territory.

The majority finding that the divisions prescribed for future application will be just and equitable is arrived at by an examination of the results reached by the use of a formula applied to the carload traffic interchanged during certain short test periods in 1924. No data were submitted for less-than-carload traffic. Such formula was not considered by the parties in interest at the hearing but its application is proposed here for the first time. Obviously the result of the application of such a formula applied to pres-

ent and to all additional future joint rates on traffic yet to move is incapable of accurate forecast. It is exceedingly speculative and uncertain. We know from experience that tests applied to comparatively short periods are many times found to be unreliable and to show results far different from what would be shown if applied to more extended periods. Moreover, it is difficult to see how satisfactory results can be obtained by excepting a portion of the traffic of important carriers from the application of the formula, the uniform application of which is said to be necessary in order to obtain an equitable division of the total joint revenue.

[fol. 50] APPENDIX 4 TO AMENDED PETITION

14745

INTERSTATE COMMERCE COMMISSION

No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

[fol. 50a] No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

Decided June 10, 1929

1. Minor modifications made of findings in prior report, 148 I. C. C. 457, with respect to the just, reasonable, and equitable divisions in the aggregate, north and south of certain gateways, of joint rates participated in by southwestern lines and western trunk lines, and order entered.
2. Reasons also given for denial of rehearing and reargument sought by southwestern lines.

Report of the Commission on Reconsideration

EASTMAN, Commissioner:

Our prior report herein, 148 I. C. C. 457, dealt with the divisions in the aggregate north and south of Kansas City

and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., respectively, of joint rates between points in western trunk-line territory generally east of the Missouri River and points in the Southwest. A more precise definition of the rates and divisions involved is contained in that report. The southwestern respondents have now filed a petition of 145 pages with several appendices, seeking rehearing, reargument, and reconsideration. After careful study of this petition and of the answer filed by the western trunk-line respondents, we have denied rehearing and reargument, but have reopened the proceeding for reconsideration in order that our previous findings may be modified in certain particulars. The issues are so important, however, and they raise so many relatively new and difficult questions that we shall depart from our usual practice and explain, in this report, not only the reasons for the modifications, but also why rehearing and reargument have been denied.

In doing this we shall take up, one by one, and comment upon the more important points made in the petition:

[fol. 50b] 1. The southwestern lines state that they applied our findings to the traffic interchanged between the two groups in September, 1928, and found that the resulting divisions would decrease their revenue and increase that of the western trunk lines at the rate of more than $3,000,000 per year. In that month the test showed that the western trunk lines actually received $2,158,908, that under our findings they would have received $2,420,411, and that under a mileage prorate they would have received $2,501,834. We therefore gave them, according to this showing, 96.7 per cent of what they sought, which was a mileage prorate. On much traffic through St. Louis our basis would give the western trunk lines better than a mileage prorate. It is urged that we could not have intended results such as these, and that the near approach in general to a mileage prorate and the exceeding of that basis in particular instances are proof that we went beyond our intentions. Permission is sought to make this test a part of the record upon further hearing, together with an analysis of its results.

Comment.—The significance attached to this test is based upon a misapprehension. It was not our purpose to compromise between the claims of the two groups of carriers, but to establish a basis of divisions in line with the evi-

dence, whatever the revenue results might prove to be. It is true that we thought we were giving the western trunk lines less than they sought, and the test indicates that this supposition was correct; but this was a wholly incidental result. That the new basis might in some instances give more than a mileage prorate was recognized. The faults of such a prorate were pointed out on pages 463-464 of the report.

That our findings may decrease the revenue of the southwestern lines more than $3,000,000 per year, as they claim; is therefore not in itself of probative force. Incidentally, this amount is much less than 1 per cent of their total freight operating revenue. Incidentally, also, it is not certain that the test of September, 1928, is representative. It indicates a relatively larger increase for the western trunk lines than is indicated by the traffic figures of record. Those figures were for the months of June and October, 1924. We prescribed two divisional bases for the traffic between the Southwest and western trunk-line territory. One was for traffic to and from points in Illinois and Wisconsin, and the other for traffic to and from other points in western trunk-line territory. It was impossible to determine from the facts of record their net revenue effect, but if the Illinois-Wisconsin basis had been applied to all of the traffic, the June, 1924, figures indicated that it would have given the western trunk lines 91.2 per cent of a mileage prorate, whereas the other basis if similarly applied would [fol. 50c] have given them 95.5 per cent. The net result would have been a percentage somewhere between the two and nearer the former than the latter. The October, 1924, figures indicated corresponding percentages of 93.3 and 97.9 per cent. However, for the reasons given above, it is not important whether the September, 1928, test was or was not representative.

2. The southwestern trunk lines show that our findings would in a considerable number of instances, more particularly via the Mississippi River gateways, give the western trunk lines divisions in excess of their corresponding local rates. This is offered as proof positive that our basis is wrong.

Comment.—That our findings might in some instances produce such results was realized, but the fact was not

deemed of controlling importance. The findings were based chiefly on relative transportation conditions in the two territories. It is well known, as we have pointed out in numerous decisions, that differences in the level of corresponding local rates within particular territories very often do not accord with actual differences in transportation conditions. The transportation burden in different territories is quite differently distributed among commodities and between classes and commodities. The local rates on the same article may be relatively high in one territory and relatively low in another, and this is notably true of class rates. Class rates and certain commodity rates in both official and western trunk line territories are now in process of revision, and no doubt revision of other commodity rates will follow. Existing rates may be changed materially, and yet there may prove to be reason for continuing in those revisions a different distribution of the transportation burden than prevails in the Southwest. Superficially it would seem that divisions should never be higher than corresponding local rates, but this does not necessarily follow. The important thing here is to establish a just, reasonable, and equitable basis of divisions. That done, it is immaterial how it happens in particular instances to compare with unrevised or even revised local rates.

3. The petition criticizes our use of a rate prorate formula based on assumed first-class rates in western trunk-line territory which do not now and may never exist, whereas actual first-class rates are used in the Southwest. The thought is expressed that before employing a rate prorate we ought to await the revision of class rates in western trunk-line territory and use in the formula the actual rates so fixed.

Comment.—This criticism rests upon a misunderstanding of what we did. Our formula was merely a method of adjusting the divisions to what we believed, upon the evidence, to be a fair approximation of the difference in conditions in the two territories. The southwestern scale furnished a convenient means of doing this, using 100 per cent of the scale in the Southwest and 80 and 87.5 per cent in the [fol. 50d] two parts of western trunk-line territory. Another scale with a similar progression, such as the southeastern, could have been used with substantially the same

results. The southwestern scale seemed more appropriate, since it forms the basis of the class rates and many of the commodity rates not only within the Southwest but between the two territories. The class rates which may eventually be fixed in western trunk-line territory in the pending investigation might not serve the purpose as well, if used in a prorate formula with the southwestern rates. This is so, as indicated in our prior report at page 479, because the class rates in western trunk-line territory hereafter to be prescribed may possibly be designed to perform a somewhat different function than the class rates in the Southwest.

Incidentally it is suggested in the petition that in the use in our rate prorate formula of assumed rates in western trunk-line territory we went outside of the record in disregard of U. S. v. Abilene & So. Ry. Co., 265 U. S. 274, inasmuch as these assumed rates were not introduced in evidence. This suggestion carries the doctrine of the case cited to absurd lengths. The southwestern scale was in evidence, and the assumed scales were percentages thereof used merely as parts of the mechanism for dividing the joint rates in the proportions warranted by the facts of record.

4. Reference is made in the petition to the class scale recommended for official territory in the report proposed by the examiner in No. 15879, Eastern Class Rate Investigation. It is shown that this scale averages about 20 per cent lower than 80 per cent of the southwestern scale, and is to apply in Illinois. It is further shown that in U. S. War Department v. Abilene & S. Ry. Co., 151 I. C. C. 91, hereinafter called the B. & O.-Barge Line Divisions case, we used this proposed scale in a rate prorate formula for determining the divisions of barge-rail rates to be received by the Baltimore & Ohio, including its lines in Illinois. This is said to be inconsistent with our use of 80 per cent of the southwestern scale for determining the divisions of the western trunk lines on traffic to and from points in Illinois.

Comment.—Since the petition herein was filed, a report on reconsideration has been issued in the B. & O.-Barge Line Divisions case, 155 I. C. C. 343, decided April 13, 1929. In that report the findings in the prior report were substantially modified, and the rate-prorate formula abandoned for the time being. The change was made in part because

we found merit in the contention of the Baltimore & Ohio, upon petition for rehearing, that the record did not contain adequate evidence in regard to relative transportation conditions in central and southern territories. That carrier stated, indeed, that if rehearing were granted, it was prepared to show that average operating revenues and ex- [fol. 50e] penses per ton-mile and per car-mile, length of haul and composition of traffic considered, are not substantially different in central and southern territories. The modified findings prescribed a temporary basis of divisions, without prejudice to any conclusions that might be reached upon rehearing, if a further hearing were desired by either party.

Furthermore, in the barge-line case cited we were dealing with a rail line operating wholly in official territory. Here we are dealing, north of the gateways, not with official territory lines but with western trunk lines. And in the case of the 80 per cent basis used on traffic to and from points in Illinois and Wisconsin, the hauls are by no means confined to Illinois but are to a considerable extent through territory west of the Mississippi River or in Wisconsin. This is particularly true of the traffic moving through the Kansas City gateway, which is the point of largest interchange.

5. It is argued that the use of the southwestern scale in the rate-prorate formula works injustice to the carrier which has the longer portion of the joint haul. Here the southwestern lines generally have the longer haul. This injustice arises, it is contended, out of the fact that the southwestern scale, like most of the scales which we have prescribed, decreases too rapidly with increasing distance, thus penalizing the longer hauls in relation to cost of service. It is urged that after deducting the terminal allowance a scale should progress uniformly with distance, upon the ground that the cost per mile of line haul is the same way for both long and short hauls. The petition shows that the western trunk lines advanced this same theory of scale construction in their briefs in No. 17000, Part 2, Western Trunk Line Class Rates.

Comment.—In this proceeding the western trunk lines attempted to introduce in evidence the class rates which they were proposing in No. 17000, Part 2. Upon objection of the

southwestern lines these rates were excluded. In their petition the latter now rely in part upon briefs supporting the very rates which they were successful in keeping out of the record. The theory advanced with respect to the proper construction of rate scales is interesting but as yet it is unproved, and the petition contains no offer of proof. However, let us assume that this theory is sound. Certainly the scales which we have prescribed, and indeed rates in general, including those between the Southwest and western trunk-line territory, do not conform to that theory. Under such circumstances we think that it is fair to divide the rates in a manner corresponding to their construction, giving less per mile, other things being equal, to the lines which have the longer portions of the joint hauls.

Incidentally it is suggested in the petition that a prorate based on first-class rates can not appropriately be used for [fol. 50f] traffic the bulk of which does not move on class rates but largely on commodity rates. As has already been explained, our rate-prorate formula was adopted as a mechanism for dividing the joint rates in the proportions which we found justified by the facts of record. In our opinion it is an appropriate mechanism for that purpose. The southwestern scale now forms the basis within the Southwest and also interritorially, not only for class rates but also for many commodity rates. The proceeding has to do with the divisions in the aggregate north and south of the gateways between the two groups of carriers. It is impracticable to deal with such aggregate divisions except upon the basis of average conditions, and the case was so tried by both groups. No carrier sought special treatment for itself, nor was any effort made to show that special divisional bases are required by the transportation conditions surrounding particular kinds of traffic.

6. It is urged that in our findings we are influenced by the age of many of the existing divisional bases, although no presumption that they are wrong can properly arise from their age.

Comment.—We did not consider age alone as evidence of error in the divivisions, but it was deemed a fact which might properly be given some weight in connection with the further fact that the trend of conditions in recent years has been more favorable to the southwestern lines than to

the western trunk lines. In this connection the test of our findings made by the southwestern lines in September, 1928, is of some significance. The record indicates that the divisions of most recent origin are, broadly speaking, those on lumber and oil. According to the test, our findings would increase the revenue of the southwestern lines on oil about 4.8 per cent and decrease their revenue on lumber only about 4.6 per cent, whereas the decrease on other carload traffic would be about 12.2 per cent.

7. It is urged that we were in error in finding that the trend of conditions in recent years has favored the southwestern lines, that our comparisons were of the years 1916 and 1924, and that if other years had been selected the result would have been different.

Comment.—The statistics in question related to traffic densities, and we used the earliest and latest figures available in the exhibits. Comparisons of other years, as set forth in the petition, lead to a similar conclusion, although the differences are less pronounced. That there has in recent years been relatively greater improvement in transportation conditions in the Southwest than in western trunk-line territory admits of no doubt, and a trend in this direction is definitely shown of record, as indicated in detail in our prior report.

8. The point is made that even if the trend does favor the southwestern lines, that fact is of no significance if present differences in transportation conditions justify the divisions.

[fol. 50g] Comment.—That present conditions, as disclosed of record, do not justify the divisions was made clear in our prior report. The facts as to the change of conditions since the time when many of the divisions were established are corroborative evidence indicating the reasons for this situation.

9. It is contended that we gave far too little weight to relative traffic densities in the two territories, and our statement that the "chief benefit of heavy density is that overhead costs, such as return on investment, are lower per unit of traffic" is criticized at considerable length. Among other things, we are criticized for calling return on investment an "overhead cost."

Comment.—The technical accuracy of our inclusion of return on investment among "overhead costs" is of little consequence. It it something that the traffic is called upon to provide, whether or not it is strictly a "cost." Our general statement, at page 473 of the prior report, in regard to the bearing of traffic density upon costs or burden was, we think, reasonably accurate. But we did not rely upon this. So far as traffic density has an effect upon cost or burden of service, that effect must be reflected in the statistics showing results of operation, and it was upon such statistics that we relied in the last anlysis in the case of such costs.

10. It is urged that distance is a much better measure of divisions than a rate prorate, and that if "conditions in each territory are the same, a mileage prorate is not improper."

Comment.—This is a matter which was fully covered in our prior report at pages 463-464.

11. It is alleged that we went outside of the record in our consideration of traffic densities in 1927, and that the stipulation that we might consider information on file with the commission related to annual reports only.

Comment.—The data referred to are incorporated in special reports now secured annually by our Bureau of Statistics. We believe that the stipulation was broad enough to cover these reports. However, this evidence was merely corroborative of conclusions drawn from other evidence which is admittedly of record, and the 1927 showing was in no way essential to our findings. Moreover, there is no allegation in the petition that these 1927 figures were inaccurate.

12. The southwestern lines contend that relative cost of service in the two groups is not the only thing to be considered in fixing divisions, nor even a "vital factor," and that the act specifies many other things which must be considered.

Comment.—Relative cost of service is clearly a vital factor. Section 15(6) of the interstate commerce act speci- [fol. 50h] fies as matters to be considered the "amount of revenue required to pay their respective operating expenses, taxes, and a fair return on their railway property held for and used in the service of transportation" and

"whether any particular participating carrier is an originating, intermediate, or delivering line," and these plainly are matters affecting cost of service. There are other matters to be considered, such as the "efficiency with which the carriers concerned are operated" and the "importance to the public of the transportation service of such carriers," but all of these we took into consideration after summarizing the pertinent evidence.

13. It is pointed out in the petition that in the case of traffic moving through western trunk-line territory, where the lines in that territory act merely as a bridge between the southwestern and official territory lines, we used the 80 per cent factor for the western trunk lines, minus 10 cents because of the absence of originating or delivering service. It is further pointed out that in the B. & O.-Barge Line Divisions case, 151 I. C. C. 91, we went a step further, and in applying a first-class rate prorate formula deducted 15 cents for terminal service from the factor of each originating and delivering line and 30 cents from the factor of each intermediate line. It is argued that we should do the same here.

Comment.—As has already been indicated, the findings in the case cited have recently been modified. Moreover, since that report was issued it has been brought to our attention that if allowance such as was therein attempted is to be made for terminal expense, a further refinement in the process should be made to insure mathematical accuracy. If this refinement were made, the division percentages would be determined by taking the first-class through rate, deducting 30 cents for terminal service, dividing the balance in accordance with the formula used in the barge-line case, and then adding back 15 cents both to the share thus determined for the originating line and to that determined for the delivering line. The divisions of the first class rate so finally ascertained would then be reduced to percentages, and these applied to all other rates between the same points. There is merit, we believe, in this suggestion. Tests show, however, that such a formula would operate to the advantage of the lines having the shorter hauls, as compared with the formula adopted in our prior report herein. If the substitution were made, therefore,

the western trunk lines would benefit, because in general they are the short-haul carriers on traffic interchanged with the southwestern lines.

Considering all the facts of record, we think that the basis prescribed in our prior report, with the minor modifications noted below, will sufficiently approximate justice, and that there is no necessity for introducing further complexities, which, in net result, would operate to the advan- [fol. 50i] tage of the western trunk lines. We believe that the southwestern lines are right, however, in their contention that 15 cents, instead of 10 cents, should be deducted from the factor of the western trunk lines when they act as bridge carriers. Our findings will be modified accordingly.

14. The petition criticizes the conclusion reached on page 475 of our report that the "cost of service, including a fair return on investment, was somewhere in the neighborhood of 20 per cent greater in the Southwest than in the western trunk-line group, based on averages of 1923 and 1924 operations, and somewhere in the neighborhood of 17 per cent greater based on 1924 operations." The most important grounds of criticism seem to be that we used system operations in arriving at this conclusion, instead of relative costs of service on the interchange traffic in question, and that the system figures are misleading, in that they cover operations extending considerably beyond the groups in question. This is said to be true to a much greater extent of the western trunk-line figures than of the southwestern, inasmuch as the former included extensive operations of the Chicago, Burlington & Quincy, the Chicago & North Western, and the Chicago, Milwaukee & St. Paul in far-western territory where conditions are alleged to be much less favorable than in western trunk-line territory, whereas the latter included only the relatively minor operations in far-western territory of the Missouri Pacific, the St. Louis Southwestern, and the St. Louis-San Francisco.

Comment.—It will help in considering this criticism to indicate again, although more briefly than in the prior report, the basis for the conclusion which is attacked. So far as relative cost of service was concerned, we did not rest content with the statement of detached facts and a jump

from them to more or less arbitrary conclusions, but we attempted to bind these facts together through statistics fairly expressive of their net results. If transportation costs are less favorable in the Southwest than in western trunk-line territory, the fact must be reflected in actual operating expenses per ton-mile, giving due weight to length of haul and composition of traffic. But, as we pointed out, operating expenses do not tell the whole story, for they leave out of consideration what we termed "overhead costs." From this point of view operating revenues per ton-mile furnish a better criterion. But even these do not furnish the best test, for revenues may be lower than needed to earn a fair return. Therefore, we endeavored to adjust the figures so as to allow in each territory for any such deficiency, and then made our comparisons.

Average hauls differed very little, and the evidence also indicated that if no adjustment were made for differences in composition of traffic the comparison would at least not be unfair to the southwestern lines. The comparisons in- [fol. 50j] cluded (a) all of the lines operating in the Southwest and all operating in western trunk-line territory; (b) the same lines, excluding on both sides of the equation the Chicago, Rock Island & Pacific and the Atchison, Topeka & Santa Fe, which operate in both territories; and (c) the lines operating exclusively in each. In 1924 these comparisons indicated that transportation costs in the Southwest exceeded those in western trunk-line territory by the following per cents: (a) 14.6, (b) 19.5, (c) 18.9. In 1923 the per cent for (a) was 21.4 and for (b) it was 28.2. We did not have the figures for (c) in 1923. From these figures we drew the general conclusion, which is now criticized, that the cost of service in the Southwest was somewhere in the neighborhood of 20 per cent greater, based on averages of 1923 and 1924 operations, and somewhere in the neighborhood of 17 per cent greater, based on 1924 operations. The actual figure which we used in arriving at our divisional basis was about 22.5 per cent, for we used 25 per cent excess for the Southwest on the traffic to and from Illinois and Wisconsin points and 15 per cent for the remainder of the traffic to and from western trunk-line points, and the former appeared to be about three times the latter in volume. We realized that the statistics were open to criticism

in certain respects, and resolved doubts in favor of the carriers whose revenues would be reduced by our findings, i. e., the southwestern lines. The final result was not the product of the statistics alone, but was reached in the exercise of judgment after considering all of the pertinent evidence.

Reverting to the criticisms in the petition, we were compelled to use system statistics because the carriers were unable to segregate the interchange traffic and show the respective costs of service for that alone, and no offer of such segregated costs is made in the present petition. Moreover, these system figures were voluntarily presented by both groups of carriers as pertinent and important evidence. We were also obliged to use system statistics which spread over into other territories to some extent, because of the difficulty of obtaining representative statistics closely confined to the two groups. The western trunk lines did attempt such a segregation and we used the results, as shown above, as one of the checks upon our conclusions, but the southwestern lines objected to these figures as not sufficiently representative. In our report, at page 475, we said this:

These figures are, of course, open to the criticism that they are either based upon the operations of systems which extend in some instances beyond group boundaries or, in the case of the strictly group lines, upon an incomplete showing of group operations. However, there are reasons to believe that they are not unfair to defendants. In the first place, while both groups contain systems which extend beyond their western boundaries into territory with less favorable operating conditions, th. western trunk-line group also contains systems, such as the Wabash and the [fol. 50k] Illinois Central, which extend beyond its eastern boundary into official territory with its more favorable operating conditions and, in the case of the Illinois Central, into the Mississippi Valley portion of southern territory.

The southwestern lines now object to this statement upon the ground that we assumed without evidence that conditions are more favorable in official territory than in western trunk-line territory, and that the operations of the Illinois

Central in the Mississippi Valley are conducted under more favorable conditions than its operations in western trunk-line territory. Yet they now ask us to assume, without proffer of definite evidence, that conditions in far western territory are much less favorable than in western trunk-line territory. Merely as an indication that there may be doubt as to this assumption, we have extracted from the annual reports for 1924 the following statistics for roads which operate wholly or largely in far western territory:

Carrier	Per ton-mile		
	Operating revenues	Operating expenses	Average haul
	Mills	Mills	Mills
Great Northern	10.64	6.69	255.5
Northern Pacific	11.21	7.69	272.9
Western Pacific	9.53	7.51	374.2
Union Pacific	11.67	7.20	393.3

In the same year the averages which we found in our prior report for the western trunk-line group, including the Rock Island and the Santa Fe, were 11.29 mills per ton-mile for operating revenue, 8.38 mills for operating expense, and 221 miles for average haul. Excluding these carriers, they were 10.78 and 8.07 mills and 204 miles, respectively. We are not convinced from what has been presented that inclusion in the group statistics of certain operations in far western territory materially distorted the comparison to the disadvantage of the southwestern lines. Moreover, as above indicated, we resolved doubts in their favor, and our final conclusions were not dependent upon these statistics alone. And while the petition criticizes the statistics which were used, it makes no clear and definite offer of better evidence. In fact throughout the petition the criticism is destructive rather than constructive.

Upon further consideration of the evidence in the light of the petition, however, we are of the opinion that one further concession to the southwestern lines may well be made. In the case of the traffic to and from points in Illinois and Wisconsin or territory east of the Illinois-Indiana State line, some ground exists for differentiating [fol. 501] the traffic which moves through the Kansas City

gateway from that which moves through the St. Louis, Cairo, Gale, and Thebes gateways, since the hauls of the western trunk lines on the latter traffic are wholly in the territory east of the Mississippi River. For that reason the factor used in the rate prorate for hauls north of the latter gateways, may approximately be changed from 80 per cent of the southwestern scale to 75 per cent.

Accordingly the first sentence of the finding beginning at the bottom of page 479 of the prior report and extending over on page 480 is modified to read as follows:

After consideration of all the facts of record, therefore, we find that in the case of the joint rates applying on freight traffic via the gateways of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., between points in the Southwest, as defined in this proceeding, and points in the States of Illinois and Wisconsin, subject to the exceptions noted below, the just, reasonable, and equitable divisions in the aggregate, south and north of said gateways, will for the future be determined by dividing said joint rates in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul north of the gateway to be 80 per cent, when the gateway is Kansas City, and 75 per cent, when the gateway is St. Louis, East St. Louis, Cairo, Gale, or Thebes, of the first-class rate for that distance under the same scale.

The third sentence of the same finding, at page 480 of the prior report, is also amended to read as follows:

We further find that in the case of joint rates applying on freight traffic via the gateways named above, between points in the Southwest, as defined in this proceeding, and points in the territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake&Ohio, Norfolk&Western, and Virginian between Cincinnati, Ohio, and Norfolk, Va., subject to the exceptions noted below, the just, reasonable, and equitable divisions of the shares accruing to the western lines will for the future be determined by dividing said shares in

proportion to assumed rates for the two hauls, the assumed rates for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rates for the distance covered by the haul of the western trunk lines north of the gateway to be 80 per cent, when the gateway is Kansas City, and 75 per cent, when the gateway is St. Louis, East St. Louis, Cairo, Gale, or Thebes, of the first-class rate for that distance under the same scale, minus 15 cents.

In the case of both of the above amendments the italicized words indicate the changes.

An appropriate order will be entered.

[fol. 50m] Woodlock, Commissioner, dissenting:

Notwithstanding the persuasive logic of the majority report in its comments on the various points made by petitioners, I think we should have reopened the record as requested by the southwestern lines for admission of testimony bearing on facts since the closing of the record in 148 I. C. C. 457 on January 13, 1928.

It may be that the rate-prorate basis here imposed upon this large territory, calculated on the assumed ratio of transportation costs in the two contending regions, adequately reflects the facts. But it may not, and before giving final effect to so sweeping an order as this, it would in my judgment have been safer to be sure of our ground by making a record complete in both facts and time.

It is evident that questions of divisions between carriers, rail and rail, and rail and water, are to become a serious subject of controversy as a result of our recent decisions in the barge-line applications for through routes and joint rates. Are we going to deal with these controversies in the same manner and on the same principle as in this case? If we are—as now seems likely—we ought to be doubly sure of what we do here.

Brainerd, Commissioner, dissenting:

I am unable to concur in the majority's report on reconsideration for the reasons stated by me somewhat at length

in my dissenting opinion reported in 148 I. C. C. at pages 481 to 483, inclusive.

Chairman Lewis dissents.

[fol. 50n] Order

At a General Session of the Interstate Commerce Commission Held at Its Office, in Washington, D. C., on the 10th Day of June, A. D. 1929

No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

It appearing, That by order dated October 8, 1923, the commission entered upon the above-entitled investigation and inquiry into the propriety of the divisions of the joint rates of the principal carriers in the territory covered by the western and mountain-Pacific groups, as defined in Increased Rates, 1920, 58 I. C. C. 220; that full investigation has been had of the divisions in the aggregate north and south of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., respectively, of joint rates [1] between points in western trunk-line territory generally east of the Missouri River[2] and points in the Southwest,[3] including such aggregate divisions of the western

[1] Except joint rates via Mississippi River crossings south of Cairo, joint rates to and from points in western Louisiana within the switching limits of New Orleans, La., and joint rates via Kansas City to and from points in Oklahoma on the Atchison, Topeka & Santa Fe, the Chicago, Rock Island & Pacific, and the Missouri Pacific, none of which joint rates are covered by this order.

[2] Embracing the States of Iowa, Minnesota, Wisconsin, Illinois, North Dakota, South Dakota, Missouri, on and north of the main line of the Missouri Pacific between Kansas City and St. Louis, and the Upper Peninsula of Michigan.

[3] Embracing the States of Texas, Arkansas, Oklahoma, Louisiana west of the Mississippi River, and Missouri, south of the main line of the Missouri Pacific between Kansas City and St. Louis.

lines' portions of the joint rates on traffic moving between points in the Southwest and points in territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian between Cincinnati, Ohio, and Norfolk, Va. including New England and the Lower Peninsula of Michigan; and that the commission, on December 10, 1928, made and filed a report, 148 I. C. C. 457, containing its findings of fact and conclusions thereon, and on the date hereof has made and filed a report on reconsideration amending said findings and conclusions in certain respects, which said reports are hereby referred to and made a part hereof;

[fol. 50o] It further appearing, That respondents herein which participate in joint rates the divisions of which are prescribed by this order are The Atchison, Topeka & Santa Fe Railway Company; The Beaumont, Sour Lake & Western Railway Company; The Chicago & Alton Railroad Company and W. W. Wheelock and W. G. Bierd, receivers; Chicago & Eastern Illinois Railway Company; Chicago & North Western Railway Company; Chicago, Burlington & Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, Milwaukee, St. Paul & Pacific Railroad Company; The Chicago, Rock Island & Gulf Railway Company; The Chicago, Rock Island & Pacific Railway Company; Chicago, St. Paul, Minneapolis & Omaha Railway Company; The Fort Worth & Denver City Railway Company; The Galveston, Harrisburg & San Antonio Railway Company; Gulf, Colorado & Santa Fe Railway Company; Houston & Shreveport Railroad Company; Houston & Texas Central Railroad Company; The Houston East & West Texas Railway Company; Illinois Central Railroad Company; International-Great Northern Railroad Company; The Kansas City, Mexico & Orient Railway Company; Kansas City, Mexico & Orient Railway Company of Texas; The Kansas City Southern Railway Company; Kansas, Oklahoma & Gulf Railway Company; Louisiana Railway & Navigation Company; Louisiana Western Railroad Company; The Minneapolis & St. Louis Railroad Company and W. H. Bremner, receiver; Minneapolis, St. Paul and Sault Ste. Marie Railway Company; Missouri-Kansas-Texas Railroad Company; Missouri-Kansas-Texas

Railroad Company of Texas; Missouri Pacific Railroad Company; Morgan's Louisiana & Texas Railroad & Steamship Company; New Orleans, Texas & Mexico Railway Company; Panhandle & Santa Fe Railway Company; Quincy, Omaha & Kansas City Railroad Company; The St. Louis, Brownsville & Mexico Railway Company; St. Louis-San Francisco Railway Company; St. Louis, San Francisco & Texas Railway Company; San Antonio & Aransas Pass Railway Company; St. Louis Southwestern Railway Company; St. Louis Southwestern Railway Company of Texas; Texas & New Orleans Railroad Company; Texarkana & Fort Smith Railway Company; The Texas & Pacific Railway Company; Vicksburg, Shreveport & Pacific Railway Company; Wabash Railway Company:

It is ordered, That of the joint rates for the transportation of property in interstate or foreign commerce via the gateways of Kansas City and St. Louis, Mo., and East St. Louis, Cairo, Gale, and Thebes, Ill., between points on the lines of any of the above-listed respondents in the Southwest, as above defined, and points on the lines of any of the above-listed respondents in the States of Illinois and [fol. 50p] Wisconsin, the just, reasonable, and equitable divisions in the aggregate, south and north of said gateways, shall on and after August 1, 1929, be determined, subject to the provisos noted below, by dividing said joint rates in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rates for the distance covered by the haul north of the gateway to be 80 per cent, when the gateway is Kansas City, and 75 per cent, when the gateway is St. Louis, East St. Louis, Cairo, Gale, or Thebes, of the first-class rate for that distance under the same scale;

It is further ordered, That of the joint rates for the transportation of property in interstate or foreign commerce via the gateways named in the next preceding paragraph between points on the lines of any of the above-listed respondents in the Southwest, as above defined, and points on the lines of any of the above-listed respondents in the remainder of western trunk-line territory east of the Missouri River, as such territory is above defined, eliminat-

ing the States of Illinois and Wisconsin, the just, reasonable and equitable divisions in the aggregate, south and north of said gateways, shall on and after August 1, 1929, be determined, subject to the provisos noted below, by dividing said joint rates in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul north of the gateway to be 87 per cent of the first-class rate for that distance under the same scale.

It is further ordered, That of the joint rates for the transportation of property in interstate or foreign commerce via the gateways named in the second preceding paragraph between points on the lines of any of the above-listed respondents in the Southwest, as above defined, and points in the territory east of the Illinois-Indiana State line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western, and Virginian between Cincinnati, Ohio, and Norfolk, Va., the just, reasonable, and equitable divisions in the aggregate, south and north of said gateways, of the shares of said joint rates accruing to above-listed respondents participating therein shall be determined on and after August 1, 1929, subject to the provisos noted below, by dividing such shares in proportion to assumed rates for the two hauls, the assumed rate for the distance covered by the haul south of the gateway to be the first-class rate for that distance under the present southwestern scale and the assumed rate for the distance covered by the haul of western trunk-line re-
[fol. 50q] spondents north of the gateway to be 80 per cent, when the gateway is Kansas City, and 75 per cent, when the gateway is St. Louis, East St. Louis, Cairo, Gale, or Thebes, of the first-class rate for that distance under the same scale, minus 15 cents;

Provided, however, That where differentials are used in the construction of the joint rates, such differentials shall be deducted before prorating and added to the amounts determined by the prorating process and accruing to respondents in the regions where the differentials apply; and—

Provided, further, That instead of applying the basic prorate formulas prescribed in the above ordering paragraphs to individual joint rates and routes, both territories may be divided, if respondents so agree, into groups, and percentages determined for the division of all joint rates between particular groups by applying the appropriate prorate formula to fair average distances between such groups and the gateways named above; and that respondents for purposes of convenience and simplicity may deviate in other respects from the strict letter of the order if they so agree.

It is further ordered, That the above-listed respondents, according as they participate in the transportation, be, and they are hereby, notified and required to cease and desist, on and after August 1, 1929, and thereafter to abstain from asking, demanding, collecting, or receiving divisions of said joint rates upon other bases than those above prescribed.

And it is further ordered, That this order shall continue in force until the further order of the commission.

By the commission.

George B. McGinty, Secretary. (Seal.)

[fol. 51] APPENDIX NO. 5 TO AMENDED PETITION

Order

AT A GENERAL SESSION OF THE INTERSTATE COMMERCE COMMISSION, HELD AT ITS OFFICE, IN WASHINGTON, D. C., ON THE 25TH DAY OF JULY, A. D. 1929

No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain Pacific Territories

Good cause appearing therefor,

It is ordered, That the second paragraph of the commission's order of June 10, 1929, in this proceeding be, and it is hereby amended to read as follows:

It further appearing, That respondents herein which participate in joint rates the divisions of which are prescribed by this order are The Atchison, Topeka & Santa Fe Railway Company; The Beaumont, Sour Lake & Western Railway Company; The Chicago & Alton Railroad Company and W. W. Wheelock and W. G. Bierd, Receivers; Chicago & Eastern Illinois Railway Company; Chicago & North Western Railway Company; Chicago, Burlington & Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, Milwaukee, St. Paul & Pacific Railroad Company; The Chicago, Rock Island & Gulf Railway Company; The Chicago, Rock Island & Pacific Railway Company; Chicago, St. Paul, Minneapolis & Omaha Railway Company; The Fort Worth & Denver City Railway Company; The Galveston, Harrisburg & San Antonio Railway Company; The Gulf, Colorado & Santa Fe Railway Company; Houston & Shreveport Railroad Company; Houston & Texas Central Railroad Company; The Houston East & West Texas Railway Company; Illinois Central Railroad Company; International Great Northern Railroad Company; The Kansas City, Mexico & Orient Railway Company, Kansas City, Mexico & Orient Railway Company of Texas; The Kansas City Southern Railway Company; Kansas, Oklahoma & Gulf Railway Company; Louisiana Railway & Navigation Company; Louisiana Western Railroad Company; Chicago, Milwaukee, St. Paul & Pacific Company and W. H. Bremner, Receiver; Minneapolis, St. Paul and Sault Ste. Marie Railway Company; Missouri-Kansas-Texas Railroad Company; Missouri-Kansas-Texas Railroad Company of Texas; Missouri Pacific Railroad Company; Morgan's Louisiana & Texas Railroad & Steamship Company; New Orleans, Texas & Mexico Railway Company; Panhandle & Santa Fe Railway Company; Quincy, Omaha & Kansas City Railroad Company; The St. Louis, Brownsville & Mexico Railway Company; St. Louis-San Francisco Railway Company; St. Louis, San Francisco & Texas Railway Company; San Antonio & Aransas Pass Railway Company; St. Louis Southwestern Railway Company; St. Louis Southwestern Railway Company of Texas; Texas & New Orleans Railroad Company; The Texas & Pacific Railway Company; Vicksburg, Shreveport

& Pacific Railway Company; and Wabash Railway Company;

It is further ordered, That the effective date of said order be, and it is hereby, postponed from August 1, 1929, to October 1, 1929.

And it is further ordered, That in all other respects said order shall continue in force until the further order of the Commission.

By the Commission.

George B. McGinty, Secretary. (Seal.)

[File endorsement omitted.]

[fol. 52] In United States District Court

Order Designating Judges and Fixing Date of Hearing—Filed Sept. 20, 1929

The Beaumont, Sour Lake & Western Railway Company and others, petitioners in the above entitled cause, having presented to the undersigned judge their petition to enjoin, set aside, annul, and suspend certain orders set forth in said petition of the Interstate Commerce Commission made by the said commission, under the provisions of the act of Congress known as the Interstate Commerce Act, being Title 49, Sections 1 to 27, United States Code 1926, and particularly under the provisions of subdivision (6) of Section 15 of the said Interstate Commerce Act, and it appearing that the said Interstate Commerce Commission has entered its appearance, and that the said application or petition is one which requires, under the law, hearing and determination by three judges, one of whom shall be a circuit judge, the undersigned, after taking counsel with the presiding judge of the United States Circuit Court of Appeals for the Eighth Circuit, and being advised by him that the Honorable Archibald K. Gardner, one of the judges of the said Circuit Court, had been designated as the circuit judge to hear and determine said application, sitting with two other judges as required by law: It is therefore ordered that the hearing of said petition or ap-

plication of The Beaumont, Sour Lake & Western Railway Company and others be and the same is hereby set for hearing September 20th, 1929, at Kansas City, Missouri, and that such hearing be had before the Honorable Archibald K. Gardner, circuit judge, the Honorable Merrill E. Otis, district judge, and the undersigned, district judge.

Albert L. Reeves, District Judge.

[File endorsement omitted.]

[fol. 53] IN UNITED STATES DISTRICT COURT

MOTION RELATIVE TO ANSWER OF THE UNITED STATES—Filed Sept. 20, 1929

Now comes the United States of America, defendant in the above entitled case, and by its counsel moves the Court to permit the answer of the United States hereto filed to the petition herein, to be considered as and to constitute the answer of the United States to the amended petition herein filed.

William L. Vandeventer, United States Attorney. John Lord O'Brian, Assistant to the Attorney General. Elmer B. Collins, Special Assistant to the Attorney General.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

ORDER RELATIVE TO ANSWER OF THE UNITED STATES—Filed Sept. 20, 1929

Upon motion of counsel for United States of America, defendant in the above entitled case, it is hereby ordered that the answer of United States of America heretofore filed to the original petition in said case be, and it is hereby permitted to be, filed and considered as the answer of the United States to the amended bill of complaint filed by petitioners in said proceeding.

Albert L. Reeves, United States District Judge.

[File endorsement omitted.]

[fol. 54] IN UNITED STATES DISTRICT COURT

ORDER, SEPT. 20, 1929, PERMITTING WILLIAM W. WHEELOCK, ET AL., RECEIVERS, ET AL., TO FILE ANSWER—Filed Sept. 23, 1929

On motion of solicitors for William W. Wheelock and William G. Bierd, Receivers of The Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chicago, Burlington and Quincy Railroad; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company and Wabash Railway Company, intervening defendants, it is

Ordered, that said defendants may file instanter their answer to the amended petition filed herein.

Enter.

Albert L. Reeves, Judge.

Sept. 20, 1929.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

JOINT AND SEPARATE ANSWER OF WILLIAM W. WHEELOCK ET AL., RECEIVERS, ET AL.—Filed Sept. 20, 1929

Now comes William W. Wheelock and William G. Bierd, Receivers of The Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company; Chicago and North Western Railway Company; Chicago, Burlington and Quincy Railroad Company; Chicago Great Western Railroad Company; Chicago, St. Paul, Minneapolis and Omaha Railway Company; Illinois Central Railroad Com-[fol. 55] pany; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company and Wabash Railway Company, Interveners, leave of Court having been first duly

granted, and now and at all times hereafter saving and reserving to themselves all and all manner of benefit and advantage of exception to the many errors and insufficiencies in petitioners' amended petition contained, for their joint and separate answer thereto or unto so much or such parts thereof as they are advised it is material for them to answer, answer and say:

I. These interveners admit, for the purpose of this suit, the allegations contained in Paragraphs I and II of the amended petition herein, except that they deny that the Interstate Commerce Commission erroneously included the Chicago, Milwaukee, St. Paul & Pacific Railroad Company in its order of June 10, 1929, and say that said Company was properly included in said order, since it is the successor to and was the purchaser at judicial sale, of the property of Chicago, Milwaukee & St. Paul Railway Company, which was named as a respondent in said Commission's order of October 8, 1923, entered in the same proceeding and attached to said amended petition as Appendix 1.

II. These interveners, answering Paragraphs numbered III and IV of the amended petition herein and the several subdivisions of those paragraphs, admit and allege that the Interstate Commerce Commission made and entered the order dated June 10, 1929, referred to in subdivision 8 of the amended petition and made a part thereof as "Exhibit 4", in a proceeding then pending before it, entitled "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific territories, Docket 15234;" that said proceeding was instituted by the Commission upon its own motion by order dated October 8, 1923, referred to in subdivision 3 of said amended petition and attached thereto as Appendix 1, by which certain railroads, including the petitioners herein and these interveners, operating in the territories men- [fol. 56] tioned, were made respondents; that full hearings were had in said proceedings by the Commission, and that thereafter it made, entered and served upon all the parties to said proceeding the report of December 10, 1928, 148 I. C. C. 457, referred to in subdivision 6 of the amended petition herein and made a part thereof as Appendix 3, to which the Court is respectfully referred for information concerning the Commission's findings and the requirements

thereof; that following the service of the Commission's said report of December 10, 1928, the petitioners herein filed with the Interstate Commerce Commission a petition for rehearing, reargument and reconsideration; that pursuant to the prayer of said petition said proceeding was reopened for reconsideration, and that subsequently said Commission made and entered and served upon all the parties to said proceeding its report and order of June 10, 1929, referred to and made a part of the amended petition herein as Appendix 4, to which the Court is respectfully referred for information concerning the Commission's findings and the requirements of said order; that in said proceeding the parties thereto, including the petitioners herein and these interveners, were and each of them was accorded the full hearing provided for by the Interstate Commerce Act; that in said hearings a large volume of testimony and other evidence bearing upon the matters covered by said reports and orders was submitted to the Commission for consideration, including testimony and other evidence submitted on behalf of the petitioners herein through their counsel; that at said hearings and subsequently both orally and on briefs filed in said proceeding, all questions relating to said matters were fully argued and submitted to the Commission for determination on behalf of said parties by their respective counsel, including many of the particular questions raised by the petitioners in this suit. Whereupon, the Commission determined said matters and entered and served upon all the parties to said proceeding, including the petitioners herein and these interveners, its said reports and orders; that said reports and orders included the Commission's [fol. 57] findings of fact, decision, conclusions, orders and requirements in the premises, and that upon the evidence aforesaid and as shown in and by said reports the Commission made the findings and stated the conclusions upon which said orders are based.

III. These interveners further allege that the Commission's findings and conclusions in said reports are and each of them is, fully supported and justified by the evidence submitted in said proceeding as aforesaid; that in making said reports the Commission considered and weighed carefully, in the light of its own knowledge and experience, each fact, circumstance and condition called to its attention on

behalf of the petitioners by their respective counsel, including matters covered by the allegations in the petition herein.

IV. These interveners deny that in making and entering said orders of June 10, 1929, and July 25, 1929, the Commission acted arbitrarily or contrary to relevant testimony, or in excess of its authority or otherwise unlawfully, and denies that said orders are without evidence to support them, or that they are unlawful or invalid for any of the reasons set forth in the amended petition filed herein, or for any other reason, and deny further that the petitioners herein will suffer irreparable or other damage if said orders are not suspended or enjoined.

V. Except as herein expressly admitted, these interveners deny the truth of each and all of the allegations contained in the amended petition filed herein, in so far as they conflict either with the allegations herein or with the statements or conclusions of fact included in said reports and orders of the Interstate Commerce Commission.

All of which matters and things these interveners are ready to maintain and prove as this Honorable Court shall direct; and hereby pray that said amended petition be dismissed.

William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company; Chicago and Eastern Illinois Railway Company, [fol. 58] Chicago and Northwestern Railway Company, Chicago Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company, W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company. Silas H. Strawn, K. L. Richmond, P. F. Gault, K. F. Burgess, Ralph M. Shaw, J. Carter Fort, G. M. Swanstrom, A. H. Lossow, L. H. Strasser, Frank H. Towner, Solicitors for said Parties.

Duly sworn to by J. A. Behrle. Jurat omitted in printing.

[fol. 59] [File endorsement omitted.]

Minute entry of argument and submission September 20, 1929, omitted in printing.

IN UNITED STATES DISTRICT COURT

ORDER RELATIVE TO ANSWER OF INTERSTATE COMMERCE COMMISSION—Filed Sept. 27, 1929

Upon motion to E. M. Reidy, counsel for the Interstate Commerce Commission, it is ordered that the answer of the Interstate Commerce Commission to the original petition be made its answer to the amended petition, and that numbers of certain subdivisions of the petition referred to in the answer of the Interstate Commerce Commission be changed in said answer, as follows:

In Paragraph II, first line, "Answering subdivisions 3 to 24, inclusive," should read "Answering subdivisions 3 to 29, inclusive.

Albert L. Reeves, U. S. District Judge.

[File endorsement omitted.]

[fol. 60] IN UNITED STATES DISTRICT COURT

ORDER DISMISSING PETITION—Filed Nov. 27, 1929

This cause coming on to be heard before a statutory court of three judges, after due consideration and being fully advised in the premises, it is by the Court ordered, adjudged and decreed that the petition herein be and the same is hereby dismissed at petitioners' costs.

Archibald K. Gardner, Circuit Judge. Albert L. Reeves, District Judge. Merrill E. Otis, District Judge.

[File endorsement omitted.]

[fol. 61] IN UNITED STATES DISTRICT COURT

PETITION FOR APPEAL—Filed Nov. 27, 1929

To the Honorable Archibald K. Gardner, United States Circuit Judge, and Albert L. Reeves and Merrill E. Otis, United States District Judges:

[fol. 62] Petition for appeal by The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company

Now come The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas

Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis [fol. 63] Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, being the petitioners herein, by their solicitors, and feeling aggrieved by the final order or decree of the District Court made and entered herein, on, to-wit, November 27, 1929, do hereby appeal therefrom to the Supreme Court of the United States, and they pray that their appeal be allowed and that citation be issued as provided by law.

The particulars wherein they consider the final order or decree erroneous are set forth in the assignment of errors on file, to which reference is made.

They pray that a transcript of the record, proceedings and papers on which the final order or decree was made and entered, duly authenticated, may be transmitted forthwith to the Supreme Court of the United States.

And they further pray that the proper order relating to the security to be required of them be made.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Robert, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners.

[File endorsement omitted.]

[fol. 64] In United States District Court

Assignment of Errors—Filed Nov. 27, 1929

The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg, and San Antonio Railway Company, Houston and Shreveport Railroad Company, Hous-

ton & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great [fol. 65] Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, now come by their counsel, and in connection with their petition for appeal file the assignment of errors on which they will rely on their appeal to the Supreme Court of the United States from the final order or decree of the District Court of the United States for the Western Division of the Western District of Missouri, in case No. 1363, in Equity, entitled The Beaumont, Sour Lake & Western Railway Company et al., petitioners, vs. The United States of America et al., defendants, entered on to-wit: November 27, 1929, dismissing the petition filed by the petitioners (being the appellants herein) named therein, asking that the order entered by the Interstate Commerce Commission in the proceeding entitled, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories," Docket No. 15234, 148 I. C. C. 457, 156 I. C. C. 94, be enjoined, set aside, annulled and suspended, said assignment of errors being as follows:

1. The District Court erred in entering a decree herein refusing to grant the relief prayed by petitioners in their petition in the above entitled cause, and in dismissing said petition.

[fol. 66] 2. The District Court erred in failing to hold the Commission's said order void, and against the public interest, because the Commission, after finding that the vital

thing to ascertain in fixing divisions as between two groups of carriers selected by the Commission, one group being located in the Western Trunk Line territory, and the other group, in the Southwestern territory,—said territories being defined by the Commission, in the said proceeding entitled Docket No. 15234, and the said carriers being the respondents in the said proceeding,—was the cost of service, and that a better basis of comparison was the cost of service including a fair return upon investment (that is, the amount required to pay operating expenses, taxes, and other like charges, and a fair return upon investment), and after ascertaining the average cost of service, including a fair return on investment of each of said groups of carriers, made an order fixing a basis of divisions, as between the said two groups of respondents, which applied indiscriminately to the prosperous and the needy respondents in each territory, regardless of the amount needed by each individual respondent in order to permit it to pay its operating expenses, taxes and like charges, and to earn a fair return on investment, said order granting increased revenues, in many cases, to a Western Trunk Line respondent which was already receiving a higher rate of return than the Southwestern respondent from which such increased revenues were taken by the Commission's order, and in some cases taking revenue from a Southwestern respondent which was operating at a deficit, or receiving a very small return.

3. The District Court erred in refusing to hold the Commission's said order void because the Commission made only two definite findings, upon what it stated to be the vital considerations, as a basis for fixing divisions, namely: (1) That the vital thing to ascertain in the proceeding was the relative cost of service in the Western Trunk Line territory and the Southwestern territory, respectively, in which respect the Commission found that it cost on an [fol. 67] average about 15% more per ton-mile to haul freight in the Southwestern territory than in the Western Trunk Line territory, and (2) that a still better basis for comparison was the amounts needed in each case to cover operating expenses, taxes, and other like charges, and a fair return on investment, in which respect the Commission found that the average freight revenue per ton per

mile needed in Western Trunk Line territory to pay such expenses, taxes, and other like charges and a fair return on investment, based on 1924 revenues and expenses, was 12.01 mills per ton per mile, as compared with 14.29 mills per ton mile in Southwestern territory, an excess for the latter of 18.9%; and that, therefore, the cost of service, including a fair return on investment, was about 20% greater, on the average, in the Southwestern group than in the Western Trunk Line group, based on averages of 1923 and 1924 operations, and about 17% greater, based on 1924 operations; but the Commission, after making the above findings, prescribed a formula for the division of the revenue from the said rates which yields to the respondents in the Southwestern territory only 9% greater average revenue per ton per mile, than is received by the Western Trunk Line respondents, without any findings or evidence supporting such action.

4. The District Court erred in failing to hold the Commission's said order void because the Commission, after stating that the vital thing to ascertain is the relative cost of service, in the Western Trunk Line territory and the Southwestern territory, respectively, and thereupon finding the average cost of such service, and further stating that a still better basis of comparison is the relative cost of service, including a fair return on investment, in said territories respectively, and thereupon finding the average cost thereof, prescribed a formula for dividing the revenue from the joint rates, which assumed, without any finding or evidence in support thereof, that the cost of service including a fair return on investment, varies with the length of haul, and that the formula prescribed by the Commission would divide such revenue in proportion to such cost of service, including a fair return on investment, al- [fol. 68] though there was no finding or evidence in support thereof; and the District Court erred in upholding the Commission's finding and decision in this respect, by using the same erroneous arguments and assumptions as the Commission used.

5. The District Court erred in failing to hold the Commission's said order void because it is based on averages only and because the Commission in the said proceeding,

did not take into consideration, and made no study of, or findings as to, each individual carrier, either on the basis of typical evidence or specific evidence, and also because the evidence, statements and findings in the Commission's report show that the conditions of the individual carriers in each so-called group are not the same, but are widely dissimilar, so that substantial justice cannot be done to the individual carriers by a group order.

6. The District Court erred in refusing to hold the Commission's said order void as being based upon no rational, consistent and lawful plan, because the said proceeding purported to be for the purpose of fixing divisions of the joint rates applying between two territories, that is, the Western Trunk Line territory and the Southwestern territory, respectively, and there should have been included as parties and said order should have been made applicable to all the carriers in the said two territories and to all the joint rates applying to the traffic between the said two territories, but, as a matter of fact, a large number of carriers whose railroads are located partly or wholly in the said territories and which participate in such joint rates, [fol. 69] were omitted, and the said order applies only to the division of revenue from the joint rates applying to traffic moving to or from a point on the railroad of one of the Southwestern respondents from or to a point on the railroad of one of the Western Trunk Line respondents, or to or from a point on the railroad of one of the Southwestern respondents, which passes over the railroad of one of the Western Trunk Line respondents, in transportation from or to a point in the territory east of the Illinois-Indiana State Line and on and north of the Ohio River and the line formed by the Chesapeake & Ohio, Norfolk & Western and Virginian Railroads between Cincinnati, Ohio, and Norfolk, Virginia; and a motion filed with the Commission by the Southwestern carriers, that all Southwestern carriers should be made parties to the proceeding, should have been sustained.

7. The District Court erred in refusing to hold the Commission's said order void as being based upon no rational, consistent and lawful plan because, since the said order was based primarily on the needs of the carriers in the

Western Trunk Line territory and Southwestern territory, respectively, for revenue to pay operating expenses, taxes and other like charges, and a fair return on investment, an order should have been made, which would give in- [fol. 70] creased revenues to the individual carriers which were in relatively greater need thereof, and would take such revenues only from the individual carriers which were enjoying relatively higher returns.

8. The District Court erred in refusing to hold the Commission's said order void as being based upon no rational, consistent and lawful plan, because, since the said order was based primarily on the needs of the carriers in the Western Trunk Line territory and Southwestern territory, respectively, for revenues to pay operating expenses, taxes, and other like charges, and a fair return on investment, there should have been included as respondents, the carriers which were particularly in need of increased revenue, on the one hand, and there should have been included all of the direct connections of each of said carriers, on the other hand, as was done in the Orient Divisions Case (United States v. Abilene & Southern Ry. Co., 265 U. S. 274), in order that the individual financial needs of each carrier particularly in need of increased revenue might be ascertained, and the burden of providing it with additional revenue might be apportioned among its connections in accordance with the individual ability of each connecting carrier, instead of forming, as was erroneously done by the Commission, two groups of carriers of all degrees of financial ability, and making a division order between the two so-called groups.

9. The District Court erred in holding in effect that the Southwestern respondents are estopped from making objections to the validity of the Commission's order because of the manner in which the defense was conducted by the Southwestern respondents, since the proceeding was not conducted upon any definite statement of issues, nor by any framed issues by pleadings, which would enable said respondents to make an adequate defense, or to make an election as to the course to be pursued.

10. The District Court erred in failing to hold that the said order is void for the reason that the Commission

[fol. 71] exceeded its lawful authority in prescribing the minimum divisions which the respondents, or any of them, may collect, receive, or accept.

11. The District Court erred in failing to hold the Commission's said order void because in so far as the said order applied to the divisions of joint rates on traffic to and from points east of the Illinois-Indiana State line the Commission did not have all the necessary and proper parties before it to-wit: The railroads operating within the territory east of the Illinois-Indiana state line and connecting with the Western Trunk Line respondents at junctions in the state of Illinois, nor sufficient evidence upon which to prescribe such divisions.

12. The District Court erred in failing to hold the Commission's said order void for the reason that its decision is based upon such incomplete, general and unreliable evidence and conjectures (such as the use of statistics of operating revenues and expenses of railroads which were not made parties to the said proceeding, and statistics of operating revenues and expenses from all traffic, and of the entire lines of railroad of said respondents, instead of being confined to the traffic transported under the joint rates involved in this proceeding, and to the portions of said lines of railroad which are located in the Western Trunk Line territory and Southwestern territory, respectively) as prevent the making of reasonably accurate findings as the basis for an order, which order takes a large amount of revenue from one so-called group of carriers and grants the same to another so-called group of carriers.

13. The District Court erred in holding and deciding that the order of the Interstate Commerce Commission only incidentally affects the revenues of the companies involved, and that the said order was not entered for the purpose of assisting one group of carriers over another group of carriers, but to correct an inequitable and unreasonable basis [fol. 72] of divisions.

14. The District Court erred in failing to hold the Commission's said order void because the said order required the payment of increased divisions to the Chicago, Mil-

waukee, St. Paul & Pacific Railroad Company, a corporation which was not a party to the proceeding, and the District Court erred in the reasons, assigned by it, for sustaining the action of the Commission.

15. The District Court erred in failing to hold the Commission's said order void because, as shown by the Commission's reports in said proceeding, none of the said petitioners is earning a fair return upon its investment, and the said order, as to each of said petitioners, is therefore confiscatory.

16. The District Court erred in failing to hold the Commission's said order void for the reason that, as shown by the Commission's reports in the said proceeding, the Commission, as to material issues, made findings and entered its order upon assumptions of fact not supported by the evidence before it, and considered matters which were not introduced in evidence, to-wit:

(a) The Commission assumed, without any evidence to that effect, that the book values of respondents in the Southwestern region are on a less conservative basis than those of the Western Trunk Line respondents.

(b) The Commission prescribed and ordered to be made effective a formula for dividing the joint rates involved upon the basis of percentages of the first-class rates under the Southwestern rate scale as prescribed by the Commission in Consolidated Southwestern Cases, 123 I. C. C. 203, although that scale was not in evidence in the proceeding before the Commission.

(c) The Commission neither introduced nor had before it for consideration evidence showing the cost of operation, or cost of operation, taxes and other like charges and return on investment, on respondents' lines confined to that porting to be the average operating revenues, average said divisions proceeding.

[fol. 73] (d) The Commission considered statistics purporting to be the average operating revenues, average operating expenses, and average hauls of the Great Northern Railroad, the Northern Pacific Railroad, the Western Pacific Railroad and the Union Pacific Railroad, and each

of them, as extracted from the annual reports of said railroads for the year 1924, although none of said statistics and no part of said annual reports were introduced in evidence in the proceeding before the Commission.

(e) The Commission assumed that the operating conditions in "Official Territory" (that is, that portion of the United States generally east of the Illinois-Indiana state line and north of the Ohio River) and in the Mississippi Valley territory (that is, that portion of the United States immediately east of the Mississippi River and south of the Ohio River through which the Illinois Central Railroad operates from St. Louis, Missouri, to New Orleans, Louisiana,) are more favorable than in Western Trunk Line territory (as described in the Commission's report) although there was no evidence to this effect in the proceeding before the Commission.

(f) The Commission considered the traffic densities, segregated by states, for the year 1927, upon the lines of the railroads operating in the Western Trunk Line territory and Southwestern territory, although said statistics were not in evidence before the Commission.

(g) Without introducing or receiving any evidence upon the subject, the Commission assumed that there is a decrease in progression in the cost of operation upon respondents' lines of railroad as the length of the haul increases, and further assumed that the cost of handling the traffic involved in the divisions proceeding decreases in accordance with the formula prescribed by the Commission.

[fol. 74] (h) The Commission neither introduced nor had before it for consideration evidence showing the operating expenses, or operating expenses, taxes and other like charges and a fair return on investment as regards the transportation service performed upon the traffic transported under the joint rates involved in the said divisions proceeding.

17. The District Court erred in failing to hold the Commission's said order void for the reason that the findings of fact made by the Commission do not sustain its order in the said proceeding, but are inconsistent with and contrary to the said order.

18. The District Court erred in failing to hold that, under the circumstances of the case, the refusal of the Commission to grant a rehearing constitutes an abuse of discretion, and a denial of due process of law under the Fifth Amendment to the Constitution of the United States.

19. The District Court erred in failing to hold that the said proceeding before the Interstate Commerce Commission was an adversary proceeding, and that therefore the burden of proof was upon the respondent carriers located in Western Trunk Line territory, which carriers were in effect complainants in the said proceeding, and which burden the said respondents failed to sustain.

20. The District Court erred in failing to hold the Commission's said order void because the said order required the payment of increased divisions by certain of the respondents in the said proceeding, without any consideration whatever, by the Commission, as shown by the Commission's reports, of the financial condition of such respondents, and also required the payment of increased divisions to certain respondents, such as the Atchison, Topeka and Santa Fe Railway Company, which opposed the granting of increased divisions to the Western Trunk Line respondents, and to the Chicago, Rock Island & Pacific Railway Com- [fol. 75] pany, which took no part whatever in the proceeding.

21. The District Court erred in failing to hold the Commission's said order void, because the formula, which the Commission prescribed, in the said proceeding, for the division of the revenue from the said joint rates, was not introduced in evidence, nor in any manner submitted to, nor brought to the knowledge of the Southwestern respondents, during the taking of testimony and hearings in the said proceeding, and the Southwestern respondents therefore had no opportunity to introduce testimony, nor to be heard, with reference to the said formula, and they were therefore denied the hearing to which they were entitled.

22. The District Court erred in failing to hold that the Commission's said order is void for the reason that it is palpably arbitrary and palpably unreasonable; also, unsupported by and contrary to the findings of fact and the evidence in the case; also, contrary to the purposes and pro-

visions of the Interstate Commerce Act, and particularly of Section 15 (6) thereof; also, contrary to the public interest; and also, in conflict with the due process clause of the Fifth Amendment to the Constitution of the United States.

Wherefore, the petitioners, and each of them, pray that the final order or decree of the District Court, entered on, to-wit: November 27th, 1929, be reversed, annulled and set aside, with directions that the said order entered by the Interstate Commerce Commission in its Docket No. 15234, 148 I. C. C. 457, 156 I. C. C. 94, shall be permanently en-
[fol. 76] joined, set aside, annulled and held for naught; and petitioners further pray for such other and further order as may be appropriate.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners.

[File endorsement omitted.]

[fol. 77] IN UNITED STATES DISTRICT COURT

PETITION FOR STAY OF ORDER OF THE INTERSTATE COMMERCE COMMISSION—Filed Nov. 27, 1929

To the Honorable Archibald K. Gardner, United States Circuit Judge, and Albert L. Reeves and Merrill E. Otis, United States District Judges:

Now come petitioners in the above entitled cause by their solicitors and show that the order entered on June 10, 1929, by the Interstate Commerce Commission in a proceeding known and entitled Docket No. 15234, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories" (reported in 148 I. C. C. 457 and 156 I. C. C. 94), wherein a new basis is prescribed of divisions of the revenue from the joint rates applying on traffic transported between petitioners and the Western Trunk Line railroads which are named as respondents in said proceeding, and the amended and supplemental orders dated July 25, 1929, and September 24, 1929, are not now in effect, but will become

effective on December 1, 1929, unless stayed, enjoined, restrained, or suspended. Petitioners further show that they have filed petition for appeal and assignment of errors for the purpose of taking an appeal from the decree of this Court denying their petition in the above entitled cause, and that the said appeal has been allowed. Petitioners further show that novel and important questions concerning which there is serious doubt are presented by the petition for injunction herein and the assignment of errors filed herewith, [fol. 78] which should be reviewed by the Supreme Court of the United States; that the petition for injunction and annullment of the Commission's aforesaid orders was filed and prosecuted by said petitioners in good faith because they believe that said orders of said Commission are illegal and void; that there are substantial and reasonable grounds for petitioners' contention that the aforesaid orders of the Interstate Commerce Commission, and therefore the decree of this Court herein, are contrary to the principles announced by the Supreme Court of the United States in the New England Divisions Case (Acron C. & Y. Ry. Co. v. United States) 261 U. S. 184, the Orient Divisions case (United States v. Abilene & S. Ry. Co.) 265 U. S. 274, and the Brimstone Divisions case (Brimstone R. & C. Co. v. U. S.) 276 U. S. 104; that on account of the financial condition of some of the respondent railroad companies in Western Trunk Line territory which are in receiverships, petitioners would be in danger of being unable to recover any increased divisions which they might pay to said Western Trunk Lines in the event that the decree of this Court should be reversed on appeal, and said order and orders of the Interstate Commerce Commission be adjudged to be invalid; that irreparable injury will result if the Commission's said order and orders are not stayed pending appeal; that the net revenues of some of petitioners will be seriously affected if the said order and orders of the Commission are permitted to become effective; that the said orders of the Interstate Commerce Commission do not apply to all of the joint rates between Western Trunk Line territory and Southwestern territory, and that the establishment of the basis of divisions prescribed will therefore necessarily cause confusion and necessitate a large amount of labor and expense which should not be incurred unless the validity of the said orders should be upheld on appeal; that if

[fol. 79] the said order and orders of the Interstate Commerce Commission are stayed pending appeal, the public will not be caused to suffer in any manner by reason of said stay; and that the rights and interests of the said respondent railway companies in Western Trunk Line territory can be fully and adequately protected by the execution by petitioners (appellants) of a good and sufficient bond.

Wherefore, petitioners pray that an order may be entered in this cause staying and restraining, during the pendency of the appeal herein to the Supreme Court of the United States, the enforcement, operation, and execution against petitioners (appellants) or any of them, of the order of the Interstate Commerce Commission entered under date of June 10, 1929, and the amended and supplemental orders dated July 25, 1929, and September 24, 1929, in the proceeding before said Commission entitled and known as Docket No. 15234, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories" (reported in 148 I. C. C. 457 and 156 I. C. C. 94); and that the amount of security to be given by petitioners on account of such stay or restraining order be fixed by this Court; and for such other and further order as the Court may deem proper.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners.

[File endorsement omitted.]

[fol. 80] IN UNITED STATES DISTRICT COURT

ORDER ALLOWING APPEAL—Filed Nov. 30, 1929

Upon the entering of the final decree in this cause came F. H. Moore and W. E. Davis, solicitors and counsel for petitioners, and filed assignment of errors and petition for appeal, and it is hereby ordered that an appeal by the petitioners in the above entitled cause to the Supreme Court of the United States from the decree heretofore filed and entered herein on November 27, 1929, be and the same is hereby allowed, and that a certified transcript of the record,

testimony, exhibits, stipulations, and all proceedings be forthwith transmitted to the said Supreme Court of the United States, said appeal being hereby made returnable thirty days from the date hereof.

It is further ordered that the bond on appeal be and the same is hereby fixed at the sum of Two Thousand ($2,000.00) Dollars.

Dated November 27, 1929.

Archibald K. Gardner, United States Circuit Judge.
Arthur L. Reeves, Merrill E. Otis, United States District Judges for the Western District of Missouri.

[File endorsement omitted.]

[fol. 81] IN UNITED STATES DISTRICT COURT

ORDER FOR STAY OF THE ORDER OF THE INTERSTATE COMMERCE COMMISSION—Filed Nov. 30, 1929

Upon the entering of the final decree in this cause came F. H. Moore and W. E. Davis, Solicitors and Counsel for Petitioners, and filed petition for appeal and assignment of errors and a petition for stay of the order of the Interstate Commerce Commission made June 10, 1929, and the amended and supplemental orders of July 25, 1929, and September 24, 1929, in the proceeding entitled "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories," Docket No. 15234.

Said petition for a stay of the said order of the said Commission, having been considered by the Court, the Court being of opinion that novel and important questions concerning which there is serious doubt are presented by the assignment of errors filed herein which should be reviewed by the Supreme Court of the United States; that on account of the financial condition of some of the respondent railroad companies in Western Trunk Line Territory which are in receiverships, petitioners would be in danger of not being able to recover any increased divisions which they might pay to said Western Trunk Line respondents, in the event that the decree of this Court should be reversed on appeal and said order, or orders, of the Interstate Com-

merce Commission be adjudged to be invalid; that irreparable injury may result if the Commission's said order is not stayed pending appeal, and that on account of the effect on the net revenues of the petitioners, and the fact that the said orders of the Interstate Commerce Commission do not apply to all the joint rates between Western Trunk Line and Southwestern Territory, which will necessarily cause confusion and necessitate a large amount of labor and expense which should not be incurred unless the validity of the said orders should be upheld on appeal, and the said order of the Commission not yet having gone into effect,

And the Court being of the further opinion that the status [fol. 82] quo should be preserved pending appeal; that if the said order of the Interstate Commerce Commission is stayed pending appeal the public will not suffer in any manner by reason of said stay; and that the rights and interests of the said respondent railway companies in Western Trunk Line Territory can be fully and adequately protected by the execution by appellants of a good and sufficient bond;

It is, therefore, ordered that the enforcement, operation, and execution against appellants, or any of them, of the order of the Interstate Commerce Commission entered under date of June 10, 1929, and the amended and supplemental orders dated July 25, 1929, and September 24, 1929, in the proceeding before said Commission entitled and known as Docket No. 15234, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories" (reported in 148 I. C. C. 457 and 156 I. C. C. 94) be and it is hereby stayed, restrained, enjoined and suspended as to appellants and each of them during the pendency and until the determination of this appeal by the Supreme Court of the United States, and that supersedeas thereof and of the said decree of this Court be and is hereby granted and allowed, upon condition that appellants file within 15 days herefrom a joint and several bond in the sum of Three Million ($3,000,000) Dollars with surety to be approved by Hon. Albert L. Reeves, U. S. District Judge; the obligees in said bond to be the defendant and intervening defendants in this cause (that is, the appellees) and also The Atchison, Topeka and Santa Fe Railway Company; The Chicago, Rock Island and Pacific Railway Company; Chicago, Rock Island and Gulf Railway Company; Chicago, Milwaukee,

St. Paul and Pacific Railroad Company; Gulf, Colorado and Santa Fe Railway Company; Kansas, Oklahoma & Gulf Railway Company; The Kansas City, Mexico and Orient Railway Company; Kansas City, Mexico and Orient Railway Company of Texas; Panhandle and Santa Fe Railway Company; Quincy, Omaha & Kansas City Railroad Com-
[fol. 83] pany and Vicksburg, Shreveport & Pacific Railway Company; and also Missouri-Kansas-Texas Railroad Company and Missouri Pacific Railroad Company, the two latter railroads, which are appellants herein, to be included as obligees in the said bond for the reason that they have lines of railroad operating on and north of the main line of the Missouri Pacific Railroad between Kansas City, Missouri, and St. Louis, Missouri, described as Western Trunk Line territory in the aforesaid proceeding before the Commission.

It is further ordered that the aforesaid bond shall be conditioned that the appellants will prosecute their appeal to effect and answer all damages and costs, and shall pay or cause or to be paid all net amounts due to said obligees, or any of them, from the said appellants, or any of them, under the said orders of the Interstate Commerce Commission, if appellants or any of them fail to make good their plea.

Dated November 29th, 1929.

Archibald K. Gardner, United States Circuit Judge.
Albert L. Reeves, Merrill E. Otis, United States District Judges for the Western District of Missouri.

[File endorsement omitted]

[fols. 84-88] Bond on appeal for $2,000, approved and filed November 30, 1929, omitted in printing.

[fols. 89-96] Bond on stay for $3,000,000.00, approved and filed November 30, 1929, omitted in printing.

[fols. 97 & 98] Supplemental bond of Texas & Pacific Co., approved and filed December 7, 1929, omitted in printing.

[fol. 99] IN UNITED STATES DISTRICT COURT

NOTICE OF CROSS-APPEAL—Filed Dec. 23, 1929

To Honorable Stratton Shartel, Attorney General, State of Missouri, Jefferson City, Mo.:

You are hereby notified that the defendant, United States of America, and intervening defendant, Interstate Commerc Commission, have taken a cross-appeal to the Supreme Court of the United States from the "order for stay of the Interstate Commerce Commission" entered by the District Court on November 29, 1929, which stayed, restrained, enjoined and suspended that certain order of the Interstate Commerce Commission in the proceeding entitled "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories", Docket No. 15234, made and entered June 10, 1929, and the amended and supplemental orders of July 25, 1929, and September 24, 1929.

This notice is given to you pursuant to the provisions of the Urgent Deficiencies Act of October 22, 1913, (Ch. 32, 38 Stat. 208, 220, 221).

December 12, 1929.

Claude E. Curtis, Asst. United States Attorney, Western District of Missouri, Western Division. [fol. 100] Elmer B. Collins, Special Assistant to the Attorney General. E. M. Reidy, Attorney for Interstate Commerce Commission.

Service of a copy of the within notice is hereby admitted and acknowledged this 18th day of December 1929.

Smith B. Atwood, Asst. Attorney General, State of Missouri.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

PETITION FOR CROSS-APPEAL—Filed Dec. 23, 1929

United States of America and Interstate Commerce Commission, defendant and intervening defendant, respectively,

feeling themselves aggrieved by the following paragraphs of the "order for stay of the order of the Interstate Commerce Commission" of the District Court made and entered November 29, 1929, viz:

Said petition for a stay of the said order of the said Commission, having been considered by the Court, the Court being of opinion that novel and important questions concerning which there is serious doubt are presented by the assignment of errors filed herein which should be reviewed by the Supreme Court of the United States; that on account of the financial condition of some of the respondent railroad companies in Western Trunk Line territory which are in receiverships, petitioners would be in danger of not being able to recover any increased divisions which they might pay to said Western Trunk Line respondents, in the event that the decree of this Court should be reversed on appeal and said order, or orders, of the Interstate Commerce Commission be adjudged to be invalid; that irreparable injury may result if the Commission's said order is not stayed pending appeal, and that on account of the effect on the net revenues of the petitioners, and the fact that the said orders of the Interstate Commerce Commission do not apply to all the joint rates between Western Trunk Line and South-[fol. 101] western territory, which will necessarily cause confusion and necessitate a large amount of labor and expense which should not be incurred unless the validity of the said orders should be upheld on appeal, and the said order of the Commission not yet having gone into effect.

And the Court being of the further opinion that the status quo should be preserved pending appeal; that if the said order of the Interstate Commerce Commission is stayed pending appeal the public will not suffer in any manner by reason of said stay and that the rights and interests of the said respondent railway companies in Western Trunk Line territory can be fully and adequately protected by the execution by appellants of a good and sufficient bond;

It is, therefore, ordered that the enforcement, operation, and execution against appellants, or any of them, of the order of the Interstate Commerce Commission entered under date of June 10, 1929, and the amended and supplemental orders dated July 25, 1929, and September 24, 1929, in the proceeding before said Commission entitled and

known as Docket No. 15234, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories" (reported in 148 I. C. C. 457 and 156 I. C. C. 94) be and it is hereby stayed, restrained, enjoined and suspended as to appellants and each of them during the pendency and until the determination of this appeal by the Supreme Court of the United States, and that supersedeas thereof and of the said decree of this Court be and is hereby granted and allowed, upon condition that appellants file within 15 days herefrom a joint and several bond in the sum of Three Million ($3,000,000) Dollars with surety to be approved by Hon. Albert L. Reeves, U. S. District Judge; the obligees in said bond to be the defendant and intervening defendants in this cause (that is, the appellees) and also The Atchison, Topeka and Santa Fe Railway Company; The Chicago, Rock Island and Pacific Railway Company; Chicago, Rock Island and Gulf Railway Company; Chicago, Milwaukee, St. Paul and Pacific Railroad Company; Gulf, Colorado and Santa Fe Railway Company; Kansas, Oklahoma & Gulf [fol. 102] Railway Company; The Kansas City, Mexico and Orient Railway Company; Kansas City, Mexico and Orient Railway Company of Texas; Panhandle and Santa Fe Railway Company; Quincy, Omaha & Kansas City Railroad Company and Vicksburg, Shreveport & Pacific Railway Company; and also Missouri-Kansas-Texas Railroad Company and Missouri Pacific Railroad Company, the two latter railroads, which are appellants herein, to be included as obligees in the said bond for the reason that they have lines of railroad operating on and north of the main line of the Missouri Pacific Railroad between Kansas City, Missouri, and St. Louis, Missouri, described as Western Trunk Line territory in the aforesaid proceeding before the Commission.

pray a cross-appeal therefrom to the Supreme Court of the United States.

The particulars wherein they consider the foregoing paragraphs erroneous are set forth in the assignment of error on file to which reference is made.

They pray that a transcript of the record, pleadings, and papers on which the order for stay was made and entered,

duly authenticated, may be transmitted forthwith to the Supreme Court of the United States.

Claude E. Curtis, Asst. United States Attorney, Western District of Missouri, Western Division. Elmer B. Collins, Special Assistant to the Attorney General. E. M. Reidy, Attorney for Interstate Commerce Commission.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

ASSIGNMENT OF ERROR—Filed Dec. 23, 1929

United States of America and Interstate Commerce Commission, defendant and intervening defendant, respectively, [fol. 103] now come, by their respective counsel, and in connection with their petition for cross-appeal file the following assignment of error on which they will rely on their cross-appeal to the Supreme Court of the United States from "order for stay of the order of the Interstate Commerce Commission" of the District Court entered November 29, 1929:

The District Court erred in restraining enforcement of the Commission's order*ed* of June 10, 1929, July 25, 1929, and September 24, 1929, pending appeal to and determination of the appeal by the Supreme Court of the United States.

Wherefore, defendant and intervening defendant, respectively, and each of them, pray that said "order for stay of the order of the Interstate Commerce Commission" entered November 29, 1929, be reversed, annulled, and set aside, with directions that the stay order shall be forthwith dissolved, and for such other and further order as may be appropriate.

Claude E. Curtis, Asst. United States Attorney, Western District of Missouri, Western Division. Elmer B. Collins, Special Assistant to the Attorney General. E. M. Reidy, Attorney for Interstate Commerce Commission.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

ORDER ALLOWING CROSS-APPEAL—Filed Dec. 23, 1929

In the above-entitled cause, United States of America and Interstate Commerce Commission, defendant and intervening defendant, respectively, having made and filed their petition praying a cross-appeal to the Supreme Court of the United States from "order for stay of the order of the Interstate Commerce Commission" of the District Court made and entered November 29, 1929, and having also made and filed an assignment of error, and having in all respects conformed to the statute and rules of court in such case made and provided.

[fol. 104] It is ordered and decreed that the cross-appeal be, and the same is hereby, allowed as prayed and made returnable within thirty (30) days from the date hereof, and the Clerk is directed to transmit forthwith a properly authenticated transcript of the record, proceedings, and papers on which said order or decree was made and entered to the Supreme Court of the United States.

Albert L. Reeves, United States District Judge.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

TIME TO FILE TRANSCRIPT—Filed Dec. 26, 1929

For good cause shown, upon application of Appellants, the time in which to file the transcript of the record in the above cause in the Supreme Court of the United States and to docket the said cause therein, is hereby extended to the first day of February, A. D. 1930.

Archibald K. Gardner, United States Circuit Judge.
Albert L. Reeves, United States District Judge.
Merrill E. Otis, United States District Judge.

O. K. C. E. Curtis, Asst. U. S. Atty., Solicitor for the United States of America and the Interstate Commerce Commission, Appellees.

O. K. Frank Towner, by Charles M. Miller, Solicitor for William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago, Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company, W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad [fol. 105] Company; Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, Appellees.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

NOTICE OF PETITIONER'S APPEAL WITH ACKNOWLEDGMENT OF SERVICE BY ATTORNEY GENERAL—Filed Jan. 7, 1930

To the Honorable Stratton Shartel, Attorney General, State of Missouri:

You are hereby notified that the petitioners in the above entitled case, which is a suit to enjoin, set aside and restrain a certain order and orders of the Interstate Commerce Commission in a proceeding before that Commission entitled Docket No. 15234, "In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories," have taken an appeal from the final order or decree made and entered in the District Court in the above entitled case on the 27th day of November, 1929, to the Supreme Court of the United States; and that the order allowing the appeal makes the same returnable within 30 days from November 27, 1929.

This notice is given to you pursuant to the provisions of the Urgent Deficiencies Act of October 22, 1913 (38 Stat. L. 220, 221).

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners.

Service of a copy of the above notice is hereby acknowl-
[fol. 106] edged this 18th day of December, 1929.

Stratton Shartel, Attorney General of the State of Missouri, by Smith B. Atwood, Asst. Attorney General.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

RECORD ENTRY NARRATIVE TRANSCRIPT OF TESTIMONY LODGED JAN. 11, 1930

This day come the petitioners by their solicitors and lodge with the clerk of this court the narrative transcript of the testimony in this cause.

IN UNITED STATES DISTRICT COURT

RECORD ENTRY NOTICE OF LODGING NARRATIVE TRANSCRIPT OF TESTIMONY, ETC.—Filed Jan. 16, 1930

This day come petitioners and file Notice of lodging Narrative Transcript of Testimony, Motion for order to certify original exhibits to the Supreme Court, Præcipe for Transcript, Notice to respondents to furnish tariffs for inclusion in record and Notice of hearing on Motion to certify original exhibits.

IN UNITED STATES DISTRICT COURT

NOTICE OF LODGING NARRATIVE STATEMENT OF EVIDENCE—Filed Jan. 15, 1930

To the United States of America, Interstate Commerce Commission, William W. Wheelock and William G. Bierd, receivers of the Chicago and Alton Railroad Company,

Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago, Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, receiver of the Minneapolis & St. Louis Railroad Company, Minneapolis, St. Paul & Sault St. Marie Railway Company, and Wabash Railway Company, appellees:

[fol. 107] You and each of you are hereby notified that the Appellants, The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, in the above entitled cause, have on this the 11th day of January, A. D. 1930, lodged in the office of the clerk of the said Court at Kansas City, Missouri, a condensed statement in narrative form of the evidence taken in this case, including the evidence taken before the Interstate Commerce Commission which was introduced in evidence in this case; and that a true and correct copy of the said condensed statement is hereto attached for your information.

You are hereby further notified that the appellants herein will on the 23rd day of January, A. D. 1930, at 9:30 o'clock a. m., or as soon thereafter as counsel can be heard,

present such condensed statement in narrative form of the said evidence to the Court rendering the decree herein, or some judge thereof, either in court or chambers at the Federal Building at Kansas City, Missouri, and will ask the said Court, or some judge thereof, to approve such [fol. 108] condensed statement, at which time and place you may appear and be heard if you so desire.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Appellants.

Service of the said notice of lodgment of the said evidence, and receipt of copies of the said notice of lodgment of evidence and of said statement of evidence, are hereby admitted and acknowledged upon the dates shown below.

United States of America, by Elmer B. Collins, Spec. Asst. to the Atty. General, January 14, 1930. Interstate Commerce Commission, by Edward M. Reidy, Asst. Chief Counsel, January 13, 1930. William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, by Frank H. Towner, January 13, 1930.

[File endorsement omitted.]

[fol. 109] IN UNITED STATES DISTRICT COURT

MOTION FOR ORDER TO CERTIFY ORIGINAL EXHIBITS TO THE SUPREME COURT—Filed Jan. 15, 1930

Comes now The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway

Company, The Galveston, Harrisburg and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville & Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, petitioners and appellants herein, by their counsel, F. H. Moore and W. E. Davis, and ask that the Court enter an order in the above entitled cause authorizing and directing that the Clerk of the Court, in preparing the transcript of the record on appeal of the said cause to the Supreme Court of the United States, shall certify all of the original exhibits introduced in evidence in the said cause, being the exhibits introduced in evidence at the hearing before the Court and which were marked for identification Petitioners' Exhibits 2 to 27, inclusive, and also all the exhibits which were attached to petitioners' Exhibit No. 1, which latter exhibit contained all the evidence which was introduced at the hearing of the matter of divisions between Western Trunk Line Territory and Southwestern Territory before the Commission, including the exhibits introduced before the Commission and which were attached to the said Petitioners' Exhibit No. 1 being marked Exhibits 1-A to A, 289, inclusive, but directing the clerk not to [fol. 110] include in Petitioners' Exhibit No. 1 the testimony introduced before the Commission for the reason that the said testimony has been reduced to narrative form and will be certified and forwarded in that form to the Clerk of the Supreme Court; and that the Clerk of this

Court shall be authorized and directed to certify and forward the said original exhibits, not as a part of the transcript of the record but separately therefrom.

Appellants also attach hereto a copy of a notice which has been served upon the appellees notifying them to furnish for inclusion as exhibits in this cause all the tariffs which were specified in a list introduced in evidence by the Western Trunk Line respondents as Exhibit A-9 in the said proceeding before the Commission, and ask that if the said tariffs have been so furnished by the appellees, the Court may order that the same shall be included as exhibits in the record in this cause, and shall be certified and forwarded as original exhibits, separately from the transcript of the record, to the Clerk of the Supreme Court, and that if the said tariffs shall not be so furnished by the appellees this Court shall order that such tariffs shall not be deemed or taken to be a part of the record in this cause, but that the same shall be complete without the inclusion of such tariffs therein, or that the Court may make such other order in the premises as right and justice may require.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thomp-
[fol. 111] son, Solicitors for Petitioners and Ap-Appellants.

[File endorsement omitted.]

IN UNITED STATES DISTRICT COURT

PRÆCIPE FOR TRANSCRIPT OF RECORD—Filed Jan. 15, 1930

To the Clerk:

Please prepare a transcript of the record in the above-entitled cause in the matter of the appeal of The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg, and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas

Railway Company, Interrational-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Aransas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, petitioners and appellants herein, and include therein, in the order given below, the following matter, viz.

1. Record of filing of petition herein (a copy of the said petition should not be included, since a copy of the amended petition will be included).

2. Intervention of the Interstate Commerce Commission.

3. Notice of petition for leave to intervene filed by Wm. W. Wheelock, et al.

[fol. 112] 4. Petition for leave to intervene filed by Wm. W. Wheelock, et al.

5. Order allowing intervention of Wm. W. Wheelock, et al.

6. Notice of motion for leave to file amended petition.

7. Motion for leave to file amended petition.

8. Order granting leave to file amended petition.

9. Amended petition, including Appendices Nos. 1 to 5, inclusive.

10. Answer of United States to amended petition.

11. Answer of Interstate Commerce Commission to amended petition.

12. Joint and separate answer of Wm. W. Wheelock, et al., to amended petition.

13. Application and orders to refile answers.

14. Order that defendants may file instanter answer to amended petition.

15. Order regarding Interstate Commerce Commission's answer to amended petition.

16. Order designating judges and fixing date of hearing.

17. Narrative agreed upon by the parties and/or approved by the Court of evidence introduced at the hearing before the Court in this case, including evidence introduced before the Interstate Commerce Commission, which latter was introduced in evidence as Petitioners' Exhibit No. 1 at the hearing before the Court; and notice of lodgement of said narrative.

18. Opinion of the District Court.

19. Final decree or order dismissing case at cost of petitioners.

20. All journal entries, in their proper order.

21. Petition for appeal.

22. Assignment of Errors.

23. Petition for stay of enforcement of order of the Interstate Commerce Commission.

[fol. 113] 24. Order allowing appeal.

25. Order for stay of enforcement of order of Interstate Commerce Commission and acknowledgment of service thereof.

26. Appeal bond.

27. Bond on order staying enforcement of order of the Interstate Commerce Commission.

28. Supplemental bond.

29. Citation.

30. Notice to Attorney General of State of Missouri.

31. Petition for cross appeal by United States and Interstate Commerce Commission.

32. Assignment of errors on cross appeal.

33. Order allowing cross appeal.

34. Citation on cross appeal.

35. Notice to Attorney General of State of Missouri of cross appeal.

36. Order extending time to file transcript of record and docket cause.

37. Præcipe for record.

38. Notice to appellees to furnish tariffs.

39. Motion for entry of order to certify and transmit original exhibits and notice of hearing thereon.

40. Notice of lodgment of condensed statement in narrative form.

41. Any orders of this Court in the above entitled cause made subsequently to January 1, 1930 and not herein enumerated.

42. Include acknowledgments of service of documents.

43. You are further requested and directed to certify, as original exhibits, all the exhibits offered in evidence on the hearing of this cause before the Court, and all the exhibits offered in evidence on the hearing of this cause before the Interstate Commerce Commission, the latter being included as part of Petitioners' Exhibit No. 1 at the hearing before [fol. 114] the Court, but not including the transcript of testimony in said Petitioners' Exhibit No. 1, and to transfer the said original exhibits, as so certified, separately, to the Clerk of the Supreme Court of the United States, and not to include the said original exhibits in your transcript.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Appellants.

Service of the foregoing præcipe for record and receipt of a copy thereof are hereby admitted and acknowledged upon the dates shown below.

United States of America, by Elmer B. Vollins, Spec. Asst. to the Atty. General, January 14, 1930. Interstate Commerce Commission, by Edward M. Reidy, Asst. Chief Counsel, January 13, 1930. William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, Minneapolis, St. Paul & Sault Ste. Marie Railway Company, Wabash Railway Company, by Frank H. Towner, January 13, 1930.

[File endorsement omitted.]

[fol. 115] IN UNITED STATES DISTRICT COURT

NOTICE TO RESPONDENTS TO FURNISH TARIFFS FOR INCLUSION IN RECORD—Filed Jan. 15, 1930

To the United States of America, the Interstate Commerce Commission, William W. Wheelock and William G. Bierd, receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, receiver of Minneapolis & St. Louis Railroad Company, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, appellees:

At the hearing in the proceeding in Docket No. 15234, before the Interstate Commerce Commission, in which the orders were entered which are attached in the above entitled suit, it appears on pages 4121-4123 of the transcript of the testimony taken in the said proceeding that Mr. F. H. Towner, on behalf of the Western Trunk Line respondents in the said proceedings, substantially all of whom are intervening defendants and appellees herein, introduced in evidence a list, marked "Exhibit A-9", which purported to be a list of the tariffs containing the rates applicable on the traffic involved in this proceeding. Mr. Towner said further that he was not offering the list of tariffs in lieu of the physical introduction of the tariffs themselves because he was inclined to view these tariffs as possibly necessary in the record, but that he wished to reach an agreement with respect to the introduction of the tariffs for the reason that there were a great many tariffs involved. He said further:

"Previously I had an agreement with counsel representing the transcontinental lines that the tariffs themselves need not be offered physically in the record, but that a list might be put in the record in lieu of the tariffs themselves, with the understanding and agreement, however, that any complete record of the proceeding before the Commission, either for use of the Court or otherwise, would have to contain the tariffs themselves."

The said list was thereupon received in evidence subject to the above understanding.

[fol. 116] This notice is therefore given to you and each of you that you may furnish for inclusion in the record in the above case the tariffs specified in the said Exhibit A-9, in accordance with the said understanding.

F. H. Moore, W. E. Davis, E. T. Miller, M. G. Roberts, J. R. Bell, G. H. Muckley, H. H. Larimore, C. S. Burg, J. R. Turney, Robert Thompson, Solicitors for Petitioners and Appellants.

Service of a copy of the above notice is hereby acknowledged on the dates shown below.

United States of America, by Elmer B. Collins, Special Assistant to the Attorney General, January 11, 1930. Interstate Commerce Commission, by Edward M. Reidy, Asst. Chief Counsel, January 11, 1930. William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago Great Western Railroad Company, Chicago, St. Paul, Minneapolis, and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, by Frank H. Towner, January 9th, 1930.

[File endorsement omitted.]

[fol. 117] IN UNITED STATES DISTRICT COURT

NOTICE OF HEARING ON MOTION TO CERTIFY ORIGINAL EXHIBITS—Filed Jan. 15, 1930

To Messrs. Wm. W. Vandeventer and Elmer B. Collins, Solicitors for the United States of America; D. W. Knowlton and E. M. Reidy, solicitors for the Interstate Commerce Commission; Frank H. Towner and Chas. M. Miller, solicitors for Wm. W. Wheelock and Wm. G. Bierd, receivers for the Chicago and Alton Railroad Company et al., interveners:

Please take notice that on the 23rd day of January, 1930, at the opening of court, or as soon thereafter as counsel can be heard, counsel for petitioners and appellants in the above entitled case will appear before the Honorable Albert L. Reeves, District Judge, in the court room usually occupied by him, in the Federal Building at Kansas City, Missouri, or before such other judge as is in and there in his stead sitting, and will present to said Court their motion for an order directing the Clerk to certify to Supreme Court original exhibits, including certain tariffs, a copy of which said motion is hereto attached.

F. H. Moore, W. E. Davis, Solicitors for Petitioners and Appellants.

Service of a copy of the above notice is hereby acknowledged on the dates shown below.

United States of America, by Elmer B. Collins, Special Assistant to the Atty. Genl., January 11, 1930. Interstate Commerce Commission, by Edward M. Reidy, Asst. Chief Counsel, January 11, 1930. William W. Wheelock and William G. Bierd, Receivers of the Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington & Quincy Railroad Company, Chicago Great Western Railroad Com-
[fol. 118] pany, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, by Frank H. Towner, January 9th, 1930.

[File endorsement omitted.]

Record Entry Narrative Statement of Evidence Filed Jan. 22, 1930

This day come petitioners, appellants, and file herein Narrative Statement of the Evidence, together with order approving same.

[fol. 119] In United States District Court

In Equity. No. 1363

The Beaumont, Sour Lake & Western Railway Company, The Fort Worth and Denver City Railway Company, The Galveston, Harrisburg, and San Antonio Railway Company, Houston and Shreveport Railroad Company, Houston & Texas Central Railroad Company, The Houston East and West Texas Railway Company, International-Great Northern Railroad Company, The Kansas City Southern Railway Company, Louisiana & Arkansas Railway Company, Louisiana Railway & Navigation Company, Louisiana Western Railroad Company, Missouri-Kansas-Texas Railroad Company, Missouri-Kansas-Texas Railroad Company of Texas, Missouri Pacific Railroad Company, Morgan's Louisiana and Texas Railroad and Steamship Company, New Orleans, Texas & Mexico Railway Company, The St. Louis, Brownsville and Mexico Railway Company, St. Louis-San Francisco Railway Company, St. Louis, San Francisco and Texas Railway Company, St. Louis Southwestern Railway Company, St. Louis Southwestern Railway Company of Texas, San Antonio & Arkansas Pass Railway Company, Texas and New Orleans Railroad Company, and The Texas and Pacific Railway Company, Petitioners,

vs.

The United States of America, Defendant; The Interstate Commerce Commission, William W. Wheelock and William G. Bierd, Receivers of The Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago, Great Western Railroad Company,

Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company; W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, Minneapolis, St. Paul & Sault Ste. Marie Railway Company, and Wabash Railway Company, Intervening Defendants

Narrative Statement of Evidence—Filed Jan. 22, 1930

CAPTION

Be it remembered, That on Friday, September 20, 1929, the above-entitled cause came on regularly for hearing on the application of petitioners against The United States of America for an injunction suspending, restraining, annul-
[fol. 120] ling, and enjoining the operation of an order of the Interstate Commerce Commission made in Docket No. 15234, before the Honorable Archibald K. Gardner, Circuit Judge, the Honorable Albert L. Reeves, and the Honorable Merrill E. Otis, District Judges.

APPEARANCES OF COUNSEL

For the Petitioners: F. H. Moore, W. E. Davis, M. G. Roberts, G. H. Muckley, H. H. Larimore, C. S. Burg, their Solicitors.

For the United States: Elmer B. Collins, *their* Solicitor.

For the Interstate Commerce Commission, E. M. Reidy, its Solicitor.

For various Intervening Railroad Companies, Defendants, William W. Wheelock and William B. Bierd, Receivers of The Chicago and Alton Railroad Company, Chicago and Eastern Illinois Railway Company, Chicago and North Western Railway Company, Chicago, Burlington and Quincy Railroad Company, Chicago, Great Western Railroad Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Illinois Central Railroad Company, W. H. Bremner, Receiver of Minneapolis & St. Louis Railroad Company, Minneapolis, St. Paul & Sault Ste. Marie Railway Company and Wabash Railway Company: F. H. Towner, their Solicitor.

[fol. 121] Whereupon the following proceedings were had and entered of record, to-wit:

The parties announced that they were ready for the hearing.

The following counsel appeared in Court for the petitioners: F. H. Moore, W. E. Davis, M. G. Roberts, G. H. Muckley, H. H. Larimore, and C. S. Burg. Mr. Elmer B. Collins appeared on behalf of The United States, and Mr. E. M. Reidy on behalf of the Interstate Commerce Commission. Mr. F. H. Towner appeared on behalf of certain intervening railroad company defendants, to-wit, the Chicago & Alton; Chicago Great Western; Chicago & Northwestern; Chicago, Burlington & Quincy; Chicago, St. Paul, Minneapolis & Omaha Railway Company; Chicago & Eastern Illinois; Illinois Central; Minneapolis & St. Louis Railroad Company; and Minneapolis, St. Paul & Sault Ste. Marie. Mr. Towner stated that the said intervening railroad company defendants are the so-called Western Trunk Lines (Tr. 1-5).

Petitioners' Testimony

Whereupon the petitioners, through their counsel, to sustain the issues in their behalf, offered testimony as follows, to-wit:

Petitioners offered in evidence the entire testimony, exhibits, and other evidence that was introduced in the proceeding in Docket No. 15234 before the Interstate Commerce Commission, and the same was received in evidence and marked by the reporter as "Petitioners' Exhibit No. 1 E. F. M." (The said testimony and other evidence contained in the said Exhibit No. 1 has been reduced to narrative form and is incorporated in this statement of evidence under the heading "Narrative Statement of Evidence Before the Interstate Commerce Commission," which immediately follows. The exhibits deemed material to the issues before the Court are either set forth in full, or in substance. In addition, all the exhibits have been certified and transmitted separately, as original exhibits, to the Clerk of the Supreme Court.)

[fol. 122] PETITIONERS' EXHIBIT No. 1

Narrative Statement of Evidence Before the Interstate Commerce Commission

BEFORE THE INTERSTATE COMMERCE COMMISSION

Docket No. 15234

In the Matter of Divisions of Freight Rates in Western and Mountain-Pacific Territories

Before W. A. Disque, Examiner

Chicago, Illinois, October 14, 1925,—
10:00 o'clock a. m.

Met pursuant to notice.

APPEARANCES OF COUNSEL

F. H. Towner appearing for Chicago & Alton, Chicago Great Western, Chicago & North Western, Chicago, St. Paul, Minneapolis & Omaha, Chicago, Milwaukee & St. Paul, Illinois Central, Wabash and Minneapolis & St. Louis.

J. R. Bell and G. H. Muckley appearing for Southern Pacific Lines in Texas and Louisiana, parties to investigation.

G. S. Waid appearing for Southern Pacific Lines in Texas and Louisiana, parties to investigation.

F. H. Moore, William E. Davis, E. H. Holden, G. H. Bacon, P. J. Holley and J. R. Mills appearing for the Kansas City Southern Railway Company.

R. S. Outlaw and C. C. Dana appearing for Atchison, Topeka & Santa Fe System Companies.

[fol. 123] B. H. Stanage appearing for St. Louis-San Francisco Railway Company.

J. J. Sickel and H. H. Larimore appearing for Missouri Pacific Railroad Company.

George T. Atkins, R. C. Trovillion and C. S. Burg appearing for Missouri-Kansas-Texas Lines.

Thompson, Barwise & Wharton, Arthur Collins and F. A. Swenson appearing for Fort Worth & Denver City Railway Company.

Denegre, Leovy & Chaffee, and C. H. Owen appearing for Morgan's Louisiana & Texas Railroad & Steamship Company, and Louisiana Western Railroad Company.

Thomas L. Philips appearing for Minneosta, Dakota & Western Railway Company.

William N. Webb appearing for Minnesota, Dakota & Western Railway Company.

F. C. Freiburg appearing for St. Louis-San Francisco Railway Company.

Charles W. Morrow appearing for The Texas and Pacific Railway Company.

J. D. Watson and R. D. Coleman appearing for St. Louis-Southwestern.

F. A. Barber and L. H. Strasser appearing for Wabash Railway Company.

K. L. Richmond and E. J. Schmidt appearing for Chicago & Eastern Illinois Railway Company.

F. A. Leland appearing for Southwestern Lines.

R. P. Graham and G. A. Hoffelder appearing for Chicago, Burlington & Quincy Railroad Company.

Baker, Botts, Parker & Garwood, S. G. Reed and G. S. Waid appearing for Southern Pacific Lines of Texas.

[fol. 124] F. G. Furry appearing for Illinois Central Railroad Company.

J. E. Senne appearing for Kansas, Oklahoma & Gulf Railway, H. W. Gibson, Receiver, and Kansas, Oklahoma & Gulf Railway Company of Texas.

P. F. Gault, S. H. Gillette and A. F. Cleveland appearing for Chicago & North Western Railway Company and Chicago, St. Paul, Minneapolis & Omaha Railway Company.

A. B. Enoch and F. A. Adams appearing for Chicago, Rock Island & Pacific Railway (Tr. 4068, 4069, 4070, 4071).

Proceedings

(Prior hearings had been held under the same general order of investigation, but those hearings related to the so-called Trans-Continental Divisions and the issues therein had no bearing upon the bases of divisions of joint rates between the railroads in Southwestern territory and the railroads in Western Trunk Line territory, which were made respondents in the proceeding before the Commission. The section of the investigation relating to the divisions of joint freight rates on traffic interchanged between Southwestern respondents and Western Trunk Line respondents was conducted as a separate proceeding under a separate notice of

hearing which is re-produced in Petitioners' Exhibit No. 2 in the District Court.)

COLLOQUY

Examiner Disque made the following statement at the opening of this hearing:

Further hearing will be had at this time and place in the Western Divisions Case, Docket 15234.

[fol. 125] This hearing will be limited to the divisions of the joint rates between Western Trunk Line territory and Southwestern territory.

Attorney Towner briefly stated the order in which he would introduce evidence on behalf of his clients, saying that after this evidence was completed he saw no objection to allowing some additional time to the Southwestern lines before they were required to present evidence. Counsel for certain Southwestern lines announced that they would want additional time after the Western Trunk lines had completed their case (Tr. 4075-4076).

Attorney Towner stated that there had been an unsuccessful attempt to settle the matter at issue between the parties, and made an offer on behalf of the carriers he represented to arbitrate the matter with the Southwestern lines represented at the hearing. He said the arbitration had not been considered by his clients in any great detail, but thought it would not be difficult for the parties to settle such details (Tr. 4079-4080). The Southwestern lines were not prepared to reply to his suggestion at the time (Tr. 4081-4084).

Attorney Towner stated that he had in a package before him, copies of all or substantially all the division sheets containing the divisions of the rates on the traffic involved; that if necessary he could have them duly and properly identified by a witness and put them in evidence, but that he would like to have Counsel for the Southwestern lines allow him to introduce these divisions sheets accompanied by a list of the sheets numbered so that they could be located, and also containing a description of them (Tr. 4084).

[fol. 126] There followed a discussion as to the method of introducing the division sheets, whether they were in effect

and whether settlements were actually made on the basis thereof (Tr. 4084-4085).

Mr. Towner: I believe there are some division sheets here, Mr. Examiner, possibly a good many of them, that are put out by individual roads, and not agreed to by any road except the one that put them out. Our effort has been, however, to gather them up with a great deal of impartiality, and not only put in the ones we have agreed to on our own behalf, and that nobody else has agreed to, but also those that have been promulgated by the Southwestern lines, that they have agreed to, and that we have not.

Those division sheets were put in in three books, and I hope nobody is going to ask me for a copy of them, because I do not have any; but I will furnish to everybody a list, a typewritten list of all these division sheets, with the number, the effective date, and the description. Doubtless these sheets are familiar to all the traffic men (Tr. 4085-4086).

Attorney Towner then said the list did not contain what were contended to be the effective supplements; that all of the supplements which they had were in the books referred to, but the supplements were not included in the list of division sheets. He said the list would be supplemented before the close of the hearing to show the supplements. He said the Western Trunk Lines had been unable to locate all of the division sheets and could not include all of them in the books referred to, but were contained in the list and would subsequently be proven (Tr. 4086-4087).

Mr. Towner: If it is agreeable to everybody, I can put these books in and distribute this list, and supplement the [fol. 127] list of division sheets by a similar list of all the supplements that are contained in the books; and then after you have examined it, if there is any party who wants any further information on it, or copies of individual sheets, or anything of that sort, why, we will do our best to furnish that (Tr. 4088).

Attorney Towner then agreed to offer the division sheets after they had been identified by an appropriate witness (Tr. 4089).

A. F. CLEVELAND was called as a witness for the Western Trunk Lines and being duly sworn testified as follows:

I am Assistant Freight Traffic Manager of the Chicago & North Western Railway Company. I am familiar with previous proceedings in this case, particularly the disposition made of that part of the proceeding on which hearings have been held. The Western Trunk Lines, and the trans-Missouri lines and the transcontinental lines agreed upon a compromise basis of divisions. As a part of the compromise of the trans-Missouri divisions, embracing all points in the States of Nebraska, Kansas, Wyoming, Colorado and a portion of Utah and Idaho, they compromised the divisions to and from points in Oklahoma on the lines of the Atchison, Topeka & Santa Fe, the Chicago, Rock Island & Pacific and the Missouri Pacific and that basis became effective the first of last July. The settlement with respect to the Oklahoma divisions was inconsequential or small in comparison with the major matter under consideration—the trans-Missouri divisions (Tr. 4089-4092). In reaching the settlement with respect to the Oklahoma divisions, separate, independent consideration was not given to those divisions as such (4091).

Mr. Larimore: What bearing, Mr. Towner, has the testimony offered by the witness, upon the issue here?

Mr. Towner: Well, Mr. Larimore, am I obliged to furnish pictures with all of this testimony?

Now, Mr. Cleveland is on the stand here, testifying to a fact. Counsel are at liberty to draw any conclusion from that that they want to. I know what I am going to do with it (Tr. 4092).

[fol. 128] Examiner Disque: Now, do I understand that those divisions which were settled to and from Oklahoma, are withdrawn from this case?

Mr. Towner: Yes (Tr. 4093).

Cross-examination:

In referring to the settlement of the Oklahoma divisions as inconsequential, I had in mind the relative tonnage involved in that and the trans-Missouri territory. I did not try to belittle Oklahoma (Tr. 4094).

Attorney Towner then stated that the purpose of this witness's testimony was to show that the settlement should not be interjected into this case; that no line party to the settlement could now question it in good faith. He stated that his clients considered they were bound by the settlement. Oklahoma is included in Southwestern territory. That settlement about which I testified applied through Kansas City alone (Tr. 4095.)

S. G. GRACE was thereupon called as a witness on behalf of the Western Trunk Line respondents and testified as follows:

I am Assistant General Freight Agent of the Chicago, Milwaukee & St. Paul Railway Company. I refer to a map identified as Exhibit No. 1-A, which shows the merchandise percentage groupings applied in connection with the divisions of joint rates between Oklahoma and Western Trunk Line Territory via Kansas City, Mo. Those percentages and groupings are shown in Western Trunk Line division sheet 315-A (Tr. 4097-4098).

The figures shown in connection with the Oklahoma grouping represent the percentages applying south of Kansas City on traffic to or from Chicago territory, and on traffic to or from Mississippi River-St. Louis territory. In Western Trunk Line territory there are six groups as outlined in the map; that is, the Chicago group, Mississippi River-St. Louis group; Peoria group; St. Paul group; Duluth group; and Chicago plus group. On the Peoria [fol. 129] group the same divisions are applicable as to and from the Chicago group. To and from the St. Paul and Duluth groups, where the rates are on the Chicago basis or higher, lines west of Kansas City receive Chicago revenue. Where rates are on Peoria basis or higher, but less than Chicago, lines west of Kansas City receive Peoria revenue. Where rates are on the St. Louis basis or higher, but less than Peoria basis, the lines west of Kansas City receive St. Louis revenue (Tr. 4098). Where rates are less than at St. Louis, lines west of Kansas City receive St. Louis percentages of the actual rates.

The figures shown in connection with the Oklahoma grouping represent the percentages applying south of Kan-

sas City on traffic to or from Chicago territory and on traffic to or from Mississippi River-St. Louis territory.

(The Witness here briefly described the six Western Trunk Line groups.) (Tr. 4098.)

The Chicago group comprises the territory in Wisconsin and Michigan north of the Chicago group, from and to which rates are usually on basis of arbitraries over the Chicago group rates, and from and to that territory the lines west of Kansas City receive Chicago revenue (Tr. 4099).

The map shows two St. Louis groups. This is done only to divide the territory east and west of the Mississippi River, and has no significance as to a difference in percentages to and from this group.

The legend on the map explains quite fully what it is intended to cover. These percentages do not apply to all traffic, some of the important exceptions being lumber, petroleum and its products northbound, live stock, cement, hard coal, grain, salt, potatoes, south bound, and a few other miscellaneous rates (Tr. 4099).

The percentage figures show the divisional basis in effect [fol. 130] as *as* to Oklahoma on all lines except the Atchison, Topeka & Santa Fe, the Chicago, Rock Island & Pacific Railway, the Gulf, Colorado & Santa Fe Railway, and the Missouri Pacific Railroad, those lines having granted a 14 per cent. increase in revenue to the lines east of Kansas City, effective July 1, 1925 (Tr. 4099).

(Exhibit 1-A was received in evidence. In addition to the description given by the witness, the exhibit, which is a map of the entire United States, shows the lines of the principal railroads of the United States.)

Exhibit No. A-2 is a compilation showing the percentages applicable between points in Western Trunk Line territory and representative points west of the Missouri River. The exhibit deals with the division of the through rates, applying to or from points in Nebraska, Kansas, Colorado, Wyoming, Idaho, Montana and Oklahoma, but my remarks will be confined entirely to the exhibit as it deals with the divisions in effect to or from Oklahoma (Tr. 4101-4102).

[fol. 131] The exhibit also shows pages 6 to 9 and 17 to 21, 28 to 32, and 39 to 44, percentages applicable in dividing joint through rates on merchandise and live stock to and

from representative Oklahoma points, and also shows the percentages that would apply on the basis of a mileage prorate if the short lines are used, and on the basis of a mileage prorate using the average mileage of all of the lines (Tr. 4102). This portion of the exhibit is only applicable in connection with the Oklahoma points of origin, rates and divisions (4102).

Exhibit A-3 shows the merchandise percents in effect June 30, 1925, and what they would be under a 14 per cent increase to the Western Trunk Lines (Tr. 4103).

By mileage prorate average I mean an average of all lines' mileage. If there are five lines into a point with various mileages, take the average of all of them (Tr. 4103-4104).

(The above mentioned pages of Exhibit A-2 and Exhibit A-3 were received in evidence. In addition to the matters described by the witness, Exhibit A-2 shows the divisions applicable to the joint rates on lumber or oil between certain points in Oklahoma and points in the Western Trunk Line groups.)

Exhibit A-4 shows the through class rates and a number of representative commodity rates in effect to or from representative points in Oklahoma and Missouri, together with the divisions applicable thereto.

It also shows the local rates to and from Kansas City, the present revenue accruing to the lines east and west of Kansas City, the percentage relation that that revenue bears to the local rates east and west of Kansas City, what the divisions would be on a basis of a mileage prorate through from Kansas City, using the short line mileage to and from that gateway (Tr. 4105).

[fol. 132] I have shown the local rate merely to show the basis for arriving at the percentage which the revenue under the existing divisions is of the local rates (Tr. 4106). The divisions shown on Exhibit A-4 are the current divisions (4106).

(Exhibit A-4 was received in evidence. That exhibit shows that a mileage prorate would increase the divisions to the Western Trunk Lines in almost all instances, and that a mileage prorate would accord to the Western Trunk Lines'

revenue in excess of the local rates in a great many more instances than it would to the Southwestern lines.)

The examiner here inquired whether or not the witness was requesting more than the local rate to the Missouri River; to which the witness replied that the present division sheet did not limit the divisions to the local rates, that the Exhibit showed a mileage prorate but no such division was in effect (Tr. 4108-4109).

Mr. Towner: And besides that, Mr. Examiner, Mr. Grace has not asked for anything.

Mr. Muckley: Would you limit your local rate as maximum, then?

Mr. Towner: Well, I will confer with you about that. I would not want to limit myself this early in the hearing.

Cross-examination:

The new percents applicable to points in Oklahoma where the 14% increase was made effective are shown in Exhibit A-4 (Tr. 4109-4110).

The distance from Iron Mountain, Michigan would not be representative of the average distance in the group in which it is situated, but the distance from Red Wing and Man-
[fol. 133] kato would be. The selection of Rhinelander and Eau Claire, Wisconsin, to which a relatively small part of this traffic would go, does not result in a representative weighted average mileage from the Chicago group (Tr. 4110-4111).

Redirect examination:

Eau Claire is in the Chicago plus group. Mankato is in the St. Paul group, substantially southwest of St. Paul (Tr. 4111).

J. A. Behrle was thereupon called as a witness for the Western Trunk Line respondents and testified as follows:

"I am Freight Traffic Manager for the Chicago & Alton Railroad Company and have been connected with that road and the roads with which it has been associated during the past 22 years, spending that entire time in the Freight Traffic Department. I am familiar with the rates and divisions

involved in this case and have direct charge of that subject for the Chicago & Alton" (Tr. 4112-4113).

The three books referred to by Counsel contain, insofar as I have been able to secure them, division sheets specifying the divisions of rates applying on the traffic involved in this hearing. Some of the division sheets involved are missing. We made an effort to secure the effective supplements as well as the original issues and the books contained the supplements where we were able to secure them. Some of the supplements are missing (Tr. 4113-4114).

I have a list of the division sheets but do not know whether the list shows all of the missing supplements. Some of these division sheets are issued by other lines and copies are not sent to me. Subject to the exceptions that I have mentioned, the three books contain all of the division sheets and supplements thereto (Tr. 4114-4115).

[fol. 134] Mr. Towner: I would like to say, Mr. Examiner, that we have not been able to obtain more than one complete set of the division sheets that we have been able to get. I would like to offer in evidence, these three books, without furnishing a copy to the other respondents, and I will hereafter distribute a printed list of the sheets themselves, so that they may be identified.

May they be received, Mr. Examiner?

Exam. Disque: All right. That list will show the supplements as well as the division sheets themselves, will it?

Mr. Towner: Yes; if it does not now, we will arrange it so that it will. I will offer these books in evidence at this time as exhibits A-5, A-6 and A-7.

Mr. Larimore: I think, Mr. Examiner, that these division sheets should go in subject to verification as to their correctness, or lack of completeness, by all of the respondents.

Mr. Towner: I have no objection to there being any reservation made, except that, of course, the division sheets that we have offered, if they are the actual division sheets in effect, should be received in evidence even though they may not include all of the division sheets.

Attorney Towner then explained that the witness would thereafter refer to the known division sheets and supplements which he had been unable to obtain, giving the numbers thereof and describing them (Tr. 4116).

The following discussion occured:

Mr. Outlaw: Mr. Examiner, the basis of our objection there, and the possible reservation, was that very question as to whether they were in effect.

Mr. Towner: Well, if they are not in effect, of course [fol. 135] anything that is not in effect should be eliminated.

Mr. Burg: Mr. Towner, I had this though about it: How do we determine whether all of those division sheets which are contained in the exhibit are the division sheets under which the actual settlements are now made?

Upon being questioned by Attorney Towner as to whether division sheets contained in the books offered evidence as exhibits A-5, A-6 and A-7 were the division sheets upon which the revenues were actually divided in all cases, the witness said that he must answer the question with some reservation, because it would be impossible, without investigating each and every case of settlement, to say whether that was an absolute fact; that the division sheets in the books referred to formed the basis for the divisions, although in some cases they may be in dispute; but that, so far as he knew, the division sheets contained in the exhibits, form the basis for the division of the revenues, subject to the issuance of supplements and division sheets, of which the witness had no knowledge, of which he had never been informed, and of which he was unable to obtain copies (Tr. 4116-4117).

Mr. Outlaw: Mr. Examiner, might they be admitted in evidence, as we want them to be, with the understanding that the southwestern lines are not precluded by any showing in said sheets, on the point that the divisions therein stated are necessarily agreed to by the southwestern lines, or that they are in any way committing themselves to an acquiescence that these sheets do state the correct basis?

Exam. Disque: All right.

[fol. 136] Mr. Towner: Well, you would not need any reservation of that kind, Mr. Outlaw. The division sheets on their face, what they show.

Now, if you are able to adduce proof that the divisions of the rates are not made in accordance with these sheets,

and show that they are divided in some other way, of course that is always——

Mr. Larimore: The point I asked the witness about was his testimony that these formed the basis for divisions, which is the using of a general term. Now, I made it definite in that the respondents, in considering this testimony, might draw the conclusion that there may be instances where the revenues divided otherwise than as shown by the division sheets, although the division sheets might in fact form the basis for the present divisions of the revenue (Tr. 4118-4119).

(The three books of division sheets marked Exhibit A-5, A-6 and A-7 were offered in evidence and the examiner stated: "The exhibits will be received as what the division sheets are.")

The witness continued:

I have prepared a list of the division sheets contained in exhibits A-5, A-6 and A-7. The list also contains the division sheets of which we had knowledge, but of which we were unable to obtain copies. It does not contain a list of the effective supplements. I will undertake to supplement the list by a list showing the effective supplements to division sheets.

(The list referred to was received in evidence as exhibit A-8.)

[fol. 137] I have also prepared a list of the tariffs containing the rates applicable on the traffic involved (Tr. 4121).

Exam. Disque: I understand that this next exhibit, A-9, is a list of the tariffs, of the rates which you seek to have divided in this proceeding on a basis different than now applies.

Mr. Towner: Is that correct, Mr. Behrle?

The Witness: Yes, sir.

Attorney Towner said that he was not offering the list of tariffs in lieu of the physical introduction of the tariffs themselves because he was inclined to view these tariffs as possibly necessary in the record, but that he wished to

reach an agreement with respect to the introduction of the tariffs for the reason that there were a great many tariffs involved (Tr. 4121-4122).

The following is a verbatim quotation from the record before the Commission:

Previously I had an agreement with counsel representing the transcontinental lines, that the tariffs themselves need not be offered physically in the record, but that a list might be put in the record in lieu of the tariffs themselves, with the understanding and agreement, however, that any completed record of the proceeding before the Commission either for use in court or otherwise, would have to contain the tariffs themselves.

Now, I would like to make that same agreement with counsel for the southwestern lines, and offer the tariffs themselves purely as a formality.

Mr. Outlaw: That stipulation is agreeable to the clients which I represent.

[fol. 138] Mr. Towner: Yes, you agreed to it before, Mr. Outlaw. "

Mr. Burg: There is no objection, for the clients I represent.

Mr. Larimore; I see no objection.

Exam. Disque: All right. Unless somebody objects, it will be so understood. I hear no objection, and exhibit A-9 will be received in evidence (Tr. 4122-4123).

(Exhibit A-9 was received in evidence.)

[fol. 139] Exhibits A-5, A-6 and A-7 contain blank certain sheets which bear the number and a general description of division sheets. The numbers run consecutively beginning with No. 1 in Book 1. The division sheets and supplements which we do not have and the page numbers on which they are referred to are as follows:

Page 118—Sheet No. 1-A, Southwestern Lines division sheet No. 37, issued by the Kansas City Southern Railway, applying on rice and rice products.

Page 189 (Book 2) division sheet No. 8731-B, issued by the Missouri Pacific, to Southwestern lines tariff No. 102, applying on sulphur and brimstone, straight or mixed carloads.

Page 255 (Book 2), percentage sheet, Port Arthur route No. 158-B, issued by the Kansas City Southern Railway, showing basis for dividing rates between Chicago, Milwaukee, Cincinnati, Louisiana, Missouri, Shreveport, Alexandria, Pineville, West Monroe, and Monroe, Louisiana, via St. Louis and East St. Louis.

Page 256 (Book 2), Kansas City Southern percentage sheet, P. A. R. No. 188-B, showing basis for dividing rates between St. Louis, East St. Louis, Chicago, Milwaukee and stations in defined territories, and Fort Smith, Arkansas, via Kansas City.

Page 260 (Book 2)—Kansas City Southern percentage sheet P. A. R. No. 85-A.

Page 273 (Book 2) Kansas City Southern division sheet No. 1-C, to tariff 254. We have not been able to secure a copy of the original division sheet, although we have Supplement 4 thereto (Tr. 4123-4124-4125-4126).

[fol. 140] The division sheets to which I am now referring are not contained in exhibits A-5, A-6, and A-7. Those exhibits may contain division sheets which afford a basis for the division, however. When we have a shipment between points to which we do not have a division sheet, some other division may be used as a basis. For example, on a shipment from the Missouri Pacific, we may not have a Missouri Pacific division sheet, or we may have a division sheet of another line serving the same general territory. In that event, the division sheet which we had might be used as a basis for the division, via the road upon which the shipment moved (Tr. 4126-4127-4128).

Attorney Towner thereupon made a request that the issuing road put into record at some time during the course of the hearing a copy of the division sheets and effective supplements thereto which the witness enumerated as not being contained in exhibits A-5, A-6 and A-7 (Tr. 4128).

Witness Behrle continued:

Page 370 (Book 2) refers to St. Louis-San Francisco division sheet No. 14-C, showing the basis of divisions of rates between points of St. Louis, Chicago, Cincinnati, Milwaukee, Louisville, Nashville, Omaha, Davenport, Fox River district, and defined territory and Alexandria, Bos-

sier City, Boyce, Monroe, West Monroe, Pineville, Valley Junction, Shreveport and Shreveport Junction, Louisiana. This division sheet is not in the exhibits referred to. Every other sheet which is listed on exhibit A-8 is in the three books except those which I am specifically describing. I am now dealing with the division sheets which are not in the books (Tr. 4128-4129).

[fol. 141] Witness, continuing with the description of said division sheets:

Page 373 (Book 2)—St. Louis-San Francisco division basis No. 216. We have a copy of Supplement 4 to this division sheet, in which is stated the basis for the division of rates on traffic between points in defined territories and stations in Arkansas, via St. Louis, East St. Louis, Thebes, Memphis and Kansas City.

Page 386 (Book 2)—sheet No. 1, St. Louis-San Francisco division freight tariff No. 233-F, applying on potatoes and other vegetables carload from stations in Arkansas, Louisiana, Missouri and Oklahoma to points in Colorado, Illinois and Indiana. It takes in all of the Western Trunk Line states.

Page 387 (Book 2) refers to St. Louis-San Francisco division basis No. 378-D which contains divisions of the rates on cantaloupes and muskmelons from stations on the M. & N. A. in Arkansas, Missouri and Oklahoma to points in Illinois and western states.

Page 395 (Book 2) refers to St. Louis-South Western Railway percentage sheet No. 1500, containing divisions of rates on traffic between points in defined territories, and Shreveport, Bossier Junction, Monroe, West Monroe, Alexandria, Pineville, Hurd, Boyce, Minden and Sibley, Louisiana (Tr. 4129-4130).

By Mr. Coleman:

Q. Mr. Behrle, that division sheet has been cancelled by 1930, and reference is made to that on the last page of your exhibit, the sixth item on the last page of your exhibit.

The witness, continuing: That is one of those that we have not got, so that accounts for the fact that we have shown both of them.

[fol. 142] Page 441 (Book 3) refers to Orient division basis No. 187 series, showing divisions on cottonseed cake meal and hulls from points in Oklahoma to points on the Chicago, Milwaukee & St. Paul Railroad via Kansas City. We have Supplement A to this division sheet but were unable to secure the original.

Page 442 (Book 3) refers to Kansas City Southern division sheet No. 5-C, to Southwestern Lines tariff No. 114-A, applying on cottonseed products from points in Arkansas, Louisiana and Oklahoma to points on the Chicago, Milwaukee & St. Paul Railroad, in Iowa, Minnesota and Missouri. We were not able to secure copy of this division sheet.

Page 443 (Book 3) refers to division sheet No. 31 to Southwestern lines tariff 40 series, applying on cottonseed cake meal and hulls from points in Arkansas, Oklahoma, Louisiana and Texas to stations on the Minneapolis & St. Louis. We were unable to secure a copy of this division sheet.

Page 464 (Book 3) refers to Southwestern Lines division sheet No. 44, Illinois Freight Association division sheet No. 10, applying on cottonseed cake meal and hulls, tank bottoms, soap stock, cottonseed oil and articles taking the same rates from points in Illinois Freight Association territory in Illinois, Indiana, Iowa, Missouri and Wisconsin, via Thebes, Gale, Cairo or East St. Louis.

Page 465 (Book 3) refers to Kansas City, Fort Scott and Memphis percentage sheet No. 980, containing divisions between Mississippi River points, Chicago, Peoria and points on the Kansas City, Clinton and Springfield, and Kansas City, Fort Scott and Memphis Railroad via Kansas City (Tr. 4131-4132).

[fol. 143] Page 466 (Book 3) refers to P. A. R. division sheet No. 155-B on the Kansas City Southern Railway, containing divisions between New Orleans and points taking the same rates, and stations in Illinois, Iowa, Minnesota, Missouri and other western states (Tr. 4132).

Here followed a discussion as to whether or not divisions of rates to and from New Orleans were involved in the case. Attorney Muckley stated that the notice of hearing referred only to points west of the Mississippi River, but

that there are some points west of the river that take the same rates as New Orleans (Tr. 4132-4133).

Exam. Disque: Well, perhaps there are percents which apply to New Orleans that would reach those points, even though they are in the Southwest. Do you want that involved in this case, if they are New Orleans per cents? Technically, west of the river they are in (Tr. 4133).

The witness, continuing: I think that the New Orleans percents are in the case, insofar as they apply to and from points west of the Mississippi River.

Page 467 (Book 3) refers to Missouri-Kansas-Texas division sheet No. 3491-B, applying on classes and commodities between stations on the Midland Valley Railroad and stations on the Missouri-Kansas-Texas Railway and connections.

Page 468 (Book 3) refers to Missouri-Kansas-Texas Railway joint division sheet No. 3480, applying on classes of commodities between St. Louis, Kansas City, points in defined territories, and Texarkana and Jefferson, Texas.

Page 469 (Book 3) refers to St. Louis-Southwestern percentage sheet No. 1450, applying on traffic between points [fol. 144] in defined territories and stations on the St. Louis-Southwestern and connections in Arkansas and Louisiana, via East St. Louis, Bixby, Cairo, Thebes, St. Louis, Kansas City or Memphis.

Page 470 (Book 3) refers to St. Louis-Southwestern percentage sheet No. 1930, applying on traffic between points in defined territories and Shreveport, Bossier City, Monroe, West Monroe, Alexandria, Pineville, Hurd, Boyce, Minden, Sibley, and also other stations in Arkansas and Louisiana.

Page 472 (Book 3) refers to Missouri Pacific division sheet No. 26-C, applying on classes and commodities between Alton, Edwardsville, Wood River, Illinois, and points in that vicinity, and points in Missouri, Oklahoma and other western states via East St. Louis (Tr. 4133-4134).

That completes the list of the division sheets which are not contained in the three books, but to which reference is made in the list which has been marked as exhibit A-8 (Tr. 4134).

There followed a discussion as to whether the Southwestern Lines should furnish copies of the missing division sheets. It was pointed out by Attorney Davis that in some instances the issuing line might have only one copy, but Attorney Towner said that if such a situation should arise, it would be necessary for the Western Trunk Lines to find some other way of putting them in evidence. Attorney Burg and Attorney Davis indicated that they would attempt to co-operate in furnishing copies of the division sheets of the Missouri-Texas lines and the Kansas City Southern, which had just been referred to by Witness Behrle (Tr. 4135-4136-4137).

Attorney Towner thereupon made the following statement:

That the lines that I represent in this proceeding are making an issue of the divisions of the through rates applying only through those junctions north of the Ohio River and not south thereof. That would be through Thebes, St. Louis, Kansas City and any intermediate junctions.

[fol. 145] The following colloquy is quoted verbatim from the transcript:

Exam. Disque: Not via the Illinois Central to Memphis and Cotton Belt or Missouri Pacific beyond?

Mr. Towner: No, sir.

Mr. Larimore: How about Cairo?

Exam. Disque: You cannot cross the river.

Mr. Furry: Mr. Examiner, I would also like to modify my appearance, as representing the Illinois Central via crossings north of the Ohio River.

Mr. Towner: I assume that is plain to everybody.

Exam. Disque: All right. Of course, if the other side wants to bring in the divisions via any other route that is another matter.

Mr. Towner: Of course, I have no control over them. All I say is that we are not raising those issues.

Exam. Disque: All right (Tr. 4139-4140).

Witness Behrle, continuing: I have prepared several statements and maps which show illustration of divisions between the Southwestern territory and Illinois and western trunk line territories (Tr. 4140).

Exhibit A-10 is a map illustrating the divisions to and from Texas points. The so-called merchandise percentages represent the percentages used in the division of revenues on all traffic except the commodities which have been subjected to individual treatment and on which specific divisions generally stated in cents per hundred pounds or in cents per ton are applied (Tr. 4140).

(Exhibit A-10 was received in evidence. In addition to the matters referred to by the witness, the map also shows the lines of the principal railroads in the states of Illinois, Wisconsin, Minnesota, South Dakota, Nebraska, [fol. 146] Kansas, Oklahoma, Missouri, and portions of North Dakota, Arkansas, Kentucky and the upper peninsula of Michigan.)

Substantially all divisions between Illinois, Wisconsin, Missouri, Iowa and Minnesota and points in Texas, also Texarkana, Arkansas-Texas, are contained in southwestern lines' division sheet No. 40, issued by F. A. Leland, agent of the southwestern lines and bearing effective date of Nov. 15, 1924. The so-called merchandise percentages, which are the basic divisions, are contained in items 150 to 360 inclusive and in items 1250 to 1265 of this division sheet (Tr. 4141).

Exhibit A-10 was prepared for the purpose of setting out as clearly and briefly as possible, the divisions applicable between Texas and the Northern states which I have named via East St. Louis. Exhibit A-10 is a map headed, "Grouping on Texas traffic via East St. Louis." There is attached a statement amplifying information on the map. The various groups in western trunk line and Illinois rate committee territories have been outlined in blue pencil on the map. The red figures show the item numbered in southwestern lines division sheet No. 40, in which the divisions north and south of East St. Louis appear. There is shown in purple a divisional basis north and south of East St. Louis. The territorial grouping is generally governed by the rate grouping appearing in Southwestern Lines Territorial Directory No. 1-G, F. A. Leland's I. C. C. 1665, reference to which is made in item 5 of F. A. Leland's division sheet No. 40 (Tr. 4141-4142).

These divisions are somewhat involved and it is therefore not possible to describe the divisional situations in detail, but the map and attached statement and the further [fol. 147] explanation which we will make will, we believe, give an accurate and clear description, insofar as it is possible to present one (Tr. 4142).

Item No. 150 includes divisions between Alton and Edwardsville, Illinois, and Texas points, on which the lines north of East St. Louis receive 15 per cent of Texas common point rates or less.

Item 160 covers divisions between points in Illinois in St. Louis territory north of East St. Louis, Granite City, and Venice, not including Alton and Edwardsville. On this traffic, the lines north of East St. Louis receive 18.5 per cent on the Texas common point rates and 19 per cent of the rates on traffic to and from Houston and Galveston and points taking the same rates (Tr. 4143).

The division is made via East St. Louis, except that in some cases to group No. 200 and group No. 165, the divisions are in effect via St. Louis. Generally speaking, to the balance of the territory, the divisions of the through rates are made via East St. Louis. I don't know as to what extent these divisions are agreed divisions, but the term "agreed divisions" and "merchandise percentages" are used in about the same sense. These divisions are generally accepted, but I don't know as to the agreement that was made. They have been in effect for years (Tr. 4143-4144).

The initials T. C. P. in the group containing number 180 in red represents Texas common points and initials H. G. refers to Houston & Galveston and points taking the same rates (Tr. 4144).

[fol. 148] Item No. 105 includes Illinois points south of East St. Louis and north of Cairo. On business between this territory and Texas, the proportion is 18 per cent of the Texas common point rate or less (Tr. 4144).

The group comprising items 215, 220, 225 and 245 is commonly known as Chicago territory. Under item No. 220, the lines north of East St. Louis received 20 per cent. An exception to this division is shown in items 245 on traffic originating on the Chicago & North Western, Chicago, Harvard & Geneva Lake, Chicago, Milwaukee & St. Paul, and

Minneapolis, St. Paul & Sault Ste. Marie. The same exception appears for the C. M. & G. in item No. 215. On traffic originating in Chicago territory and delivered to connecting lines at Chicago or Chicago junctions, these lines receive 15 per cent, the remainder south of Chicago or Chicago junctions being subdivided on Chicago percentages. This is on southbound traffic and does not apply on traffic originating in the Chicago switching district. (Tr. 4145.)

On traffic to and from points on the Chicago & North Western in Chicago territory in Illinois or Milwaukee territory, not including Chicago proper, via Barr, Illinois, a junction of the Chicago & North Western with the C. P. & St. L., via Peoria, and C. P. & St. L., C. & A., Illinois Central, or Illinois Traction System, or Benld, Illinois, and the Illinois Traction System, the lines to East St. Louis receive 27½ per cent. On Chicago proper traffic the lines north of East St. Louis receive 20 per cent (Tr. 4145-4146).

[fol. 149] On traffic from and to Milwaukee territory, the lines north of East St. Louis receive 20 per cent on traffic classified in first, second and third classes and 22 per cent on all other class rates, except that on business from points on the Chicago & North Western, Chicago, Harvard & Geneva Lake, Chicago, Milwaukee & St. Paul, and Minneapolis, St. Paul & Sault Ste. Marie, on which traffic when moving via Chicago and Chicago junctions, the originating lines receive 15 per cent and the balance is subdivided via East St. Louis on Chicago percentages in the same manner heretofore described. That basis applies only on southbound traffic. There is an exception to this on business to or from points on the Chicago & North Western via Peoria, Barr and Benld, where the combined proportion of the lines north of East St. Louis is 27½ per cent (Tr. 4146).

The Fox River territory is north and east of Milwaukee territory. In the division of rates from and to this group, the lines south of East St. Louis receive the same revenue as on traffic to and from Milwaukee. The excess, if any, over the Milwaukee rate accrues to lines north of Milwaukee. A similar basis of divisions applies from the territory north of Fox River territory, identified on exhibit A-10 as number 340 in red (Tr. 4147).

On traffic to and from the Omaha-Davenport territory, the lines north of East St. Louis receive 17 per cent of the Texas common point rate. On traffic between points in Missouri, north of the Missouri River and east of the M. K. & T. from New Franklin over to Hannibal, via St. Louis, the lines north of St. Louis receive 15 per cent. This same allowance also applies to or from Jefferson City, Mis- [fol. 150] souri, which is located on the south bank of the Missouri River (Tr. 4147).

On traffic to or from Missouri points north of the Missouri River and west of the M. K. & T. from New Franklin and Hannibal and points on the C. & A. south of the Missouri River, the lines west of St. Louis are allowed 20 per cent. The same allowance applies to or from stations on the C. B. & Q. east of Kansas City and St. Joe, west of Hannibal, and south of Laclede (Tr. 4148).

On traffic between Muscatine, west of Keithsburg, Burlington, Fort Madison, Davenport, Rock Island and Texas common points, the lines north of East St. Louis receive 18.5 per cent, except that from points taking Houston-Galveston rates the allowance is 19 per cent. These points are not shown as a group on exhibit A-10, but the particular points are outlined in red and the item numbers in the division sheets which apply are shown opposite these points (Tr. 4148).

On traffic between Quincy, Keokuk and Texas common points, the allowance north of East St. Louis is 17 per cent and when to and from Houston, Galveston and points taking the same rates, is 18 per cent. On traffic between Texas common points and points shown in the territory identified by numbers 290 and 300 in red, on Exhibit A-10, the lines north of East St. Louis receive 25 per cent.

On business to or from points in the group numbered 315 in red, the lines north of St. Louis receive 20 per cent, and on business to and from points in group No. 310, the lines north of East St. Louis receive 18 per cent.

[fol. 151] On traffic to and from points in group No. 305, they receive 20 per cent and on business to or from points in group 295, 22 per cent. The six groups designated by numbers 290, 295, 300, 305, 310 and 315 are located in what is known as Chicago-Omaha-Davenport territory (Tr. 4149).

I believe that that sets forth the divisional situation via East St. Louis. With reference to my statement that to certain territory the roads south of East St. Louis, or St. Louis, receive Milwaukee revenues and lines north take excess, if any, over the Milwaukee rate, I understand in a general way that there has been a reduction in the rates to and from that Northern territory, from and to Texas points; so to the extent that that is a fact, the earnings of the lines north of Milwaukee are reduced that much.

Exhibit A-11 is a map headed "Division grouping on Texas traffic via Kansas City."

The boundary lines of the various division groups in western trunk line and Illinois rate committee territories, are shown in blue and the item numbers in F. A. Leland's southwestern lines division sheet No. 40 are shown in red figures.

A statement elaborating the information shown on the map is attached to the map. This map is comparable to exhibit A-10 (Tr. 4150-4151).

The division of the lines east of Kansas City on traffic to and from St. Louis territory is 20 per cent.

On traffic between points in the Chicago group, the lines north of Kansas City receive 30 per cent and the same allowance is made on traffic to and from points in Milwau-
[fol. 152] kee territory, except that on business from points on the C. M. & C. as shown in item 215 and points on the Chicago & North Western, Chicago, Harvard & Geneva Lake, Chicago, Milwaukee & St. Paul, and Minneapolis, St. Paul & Sault Ste. Marie, as shown in item number 245, the lines north of Chicago or Chicago junctions receive 15 per cent, the remainder south being subdivided on the Chicago percentages. On traffic originating on the C. M. & G., and moving via the A. T. & S. F. Railway, this arrangement applies only where the Santa Fe receive the haul both east and west of the Missouri River. Where it receives haul only west of the Missouri River the lines east of Kansas City are restricted to 30 per cent (Tr. 4152).

On traffic between Texas common points and Chicago and Milwaukee rate territories, an allowance of 20 per cent is made to and from Marshalltown. The lines between Marshalltown and Kansas City receive arbitraries rang-

ing from 25.7 cents on first class to 6.1 cents on class E, with the following special divisions on commodities:

Agricultural implements, 12.9 cents.
Bagging and ties, 7.6 cents.
Window glass, 9.1 cents.
Wrapping paper, 9.1 cents.
Starch, 12.1 cents.
Wire and nails, 12.1 cents.

This arrangement is not always observed, since the Southwestern lines often insist upon the application of the direct divisions via Kansas City (Tr. 4152).

[fol. 153] A somewhat similar arrangement is in effect from Chicago and Milwaukee territories via Council Bluffs. The lines north or east receive 30 per cent and the lines between Council Bluffs and Kansas City, the arbitraries previously referred to (Tr. 4152-4153).

Under items numbers 275 and 270, on traffic between Muscatine, West Keithsburg, Burlington, Fort Madison, Davenport, Rock Island and Texas common points, the lines north of Kansas City receive 23.5 per cent. These points are designated by red figures on exhibit A-11, but are not shown as grouped. Between the same points and the Houston-Galveston rate group the lines north of Kansas City receive a division of 25 per cent (Tr. 4153).

Between Quincy, Keokuk and Texas common points, the lines north of Kansas City receive 22 per cent and between those points and the Houston-Galveston group they receive 23 per cent.

To or from points in the Chicago, Omaha and Davenport territories, the lines on and north of Council Bluffs receive 25 per cent, except to and from points in Iowa and Missouri south of the Rock Island, Grinnell to Council Bluffs and on the west of the M. & St. L., Grinnell to Centerville, they receive 20 per cent. The balance of the rate is subdivided by allowing between Omaha, Council Bluffs and Kansas City, the arbitraries to which I have heretofore referred (Tr. 4153-5154).

On traffic from points in group No. 310, via Council Bluffs, the lines east of Council Bluffs receive 20 per cent.

[fol. 154] On business from or to Fox River territory, via Marshalltown, the lines south receive 78 per cent of the

Milwaukee rates, and via Council Bluffs or Omaha, 70 per cent of the Milwaukee rates (Tr. 4154-4155).

On business between Texas and Fox River territory on west of the line of the M. & St. L. from Mason City to Minneapolis, the lines south of Council Bluffs receive 80 per cent of the Milwaukee rates.

The divisions on traffic between Fox River, Chicago, Omaha, and Davenport territories are nullified to some extent by the exception appearing in item 355 of southwestern lines division sheet 40 which provides that in subdividing the proportions south of Omaha or Council Bluffs, the arbitraries previously referred to will apply, except that on traffic from points reached by the Chicago, Milwaukee & St. Paul, Chicago, Rock Island & Pacific and Chicago, Great Western, the southwestern lines will demand from Kansas City the same revenues as on traffic reaching that gateway via the direct lines (Tr. 4155).

(Exhibit A-11 was received in evidence.)

Referring to the group bearing red figures 255, it includes Monmouth, Galesburg, Bushnell, and a number of points that are in what is known as Omaha-Davenport rate territory (Tr. 4156).

There followed a discussion as to whether or not the witness's testimony was incorrect concerning these points. The witness stated that his grouping on the map was not an error, but there were little exceptions to the groupings which he could not point out on the map and that his idea [fol. 155] was to set out the general basis as nearly as he could, whereupon Attorney Outlaw suggested that this territory was not unimportant because it covered almost the entire half of the group involved.

Attorney Towner suggested that the exception applied only to points on the Burlington Railroad, but no definite conclusion was arrived at (Tr. 4156-4157-4158).

Thereupon Mr. Dana said:

I cannot find any item in the division sheet which covers the other points excepting item 255, to which Mr. Behrle refers, which says "points east of the Mississippi River as provided below via Kansas City and other lower Missouri River crossings, 20 per cent."

But it did seem to me absurd when I was studying this situation that Fort Madison, for instance, and Burlington, which lie west of all this territory, and Keokuk also, and Quincy, which lies south and west of it, should take a higher division via the same gateway than do the points east thereof. That is why I asked the question.

Mr. Towner: Maybe that is one of the things that ought to be fixed in the case.

Mr. Dana further said that he thought possibly Mr. Behrle perhaps had better information than he had regarding the subject and had desired to find out what information he had (Tr. 4158).

Thereupon Attorney Towner said that the witness had done the best he could to find out what the divisions were and that if he was wrong he would be very glad to have anybody correct him (Tr. 4159).

[fol. 156] The Witness, continuing: I have tried to show a picture of the general situation. I realize that in Southwestern Lines division sheet No. 40 as well as others which have been made a part of this record, there are numerous exceptions and if we try to pick them out I think it would be very confusing (Tr. 4159).

Mr. Dana then said that he was not making a criticism of Witness Behrle's exhibit or testimony, but that in many instances he himself did not know what the divisions were and could not determine them. Attorney Towner said that it must be understood that if the witness undertook to read into the record all of the divisions to the individual points, he would spend a couple of weeks doing that and the witness said that it would probably require several years instead of weeks (Tr. 4159).

The Witness, continuing: In the division of rates between Texas and points in Western Trunk Line territory and including Illinois, the lines north of Kansas City and East St. Louis as a general proposition receive a percentage proportion of what is known as the Texas common point rate. In a few instances such as divisions to and from Burlington, Rock Island and Quincy, which are shown in items 275, 280 and 285 of Leland's division sheet No. 40, the lines north receive a different proportion on traffic to

Houston and Galveston and points taking the same rates than they do on traffic to the balance of the Texas common point group. Houston and Galveston and related points are generally grouped with the other points and considered Texas common points.

[fol. 157] On traffic to and from points west and south of Texas common point territory, the lines west and south are allowed the trbitraries over the Texas common point rates in addition to their division of the Texas common point rates.

The territory to the south and west of Texas common point territory is commonly known as differential territory (Tr. 4160).

(Exhibit A-12 was received in evidence. In addition to the outline of Texas common point territory, the map shows outlined in red, the Eastern boundary of Texas differential territory and the boundaries of the Houston-Galveston group. It also shows the location of substantially all of the railroads operating in the state of Texas and the principal towns and population thereof in the state of Texas and also the counties and population thereof.)

The subdivision known as the Houston-Galveston group, as previously stated, is also considered in Texas common point territory. That portion of the state of Texas west and south show the western boundary of common point territory is divisional territory. That is the territory to and from which rates are made on arbitraries over Texas common point territory. These arbitraries accrue to the western lines. I do not know whether they accrue to the Texas lines since I am not familiar with the subdivisions (Tr. 4161).

Here the witness was questioned concerning the correctness of the eastern boundary of divisional territory as shown on Exhibit A-12. The witness said that the location of the divisional boundary was checked out on the tariffs and as far as he knew was correct. He said that the Sterling City branch of the G. C. & S. F. just north of San Angelo, was in differential territory instead of common point territory (Tr. 4162).

[fol. 158] The Witness, continuing: It may be understood that this map should conform to the tariffs which have been introduced. The map shows Texas territory from which the divisions vary to the territory north of St. Louis and Kansas City as pointed out in connection with exhibits A-10 and A-11 (Tr. 4162-4163).

The next two maps, exhibits A-13 and A-14 cover the state of Missouri (Tr. 4163).

(Exhibits A-13 and A-14 were received in evidence.)

[fol. 159] Exhibit A-13 is a map of Missouri on which is drawn a line in blue leading southwest from St. Louis to the Arkansas line. There are also encircled in blue several points such as Clinton, Salem and DeSota (Tr. 4163).

Exhibit A-14 has marked on it the same line in blue but there are encircled in blue pencil such points as Union, Jefferson City, Sedalia and Clinton (Tr. 4163).

For divisional purposes, the state of Missouri on and south of the Missouri River is divided into two parts. One section is located south and east of the line of the St. Louis-San Francisco Railway from St. Louis to Springfield, Missouri, thence east on an imaginary line drawn south of Springfield, east of Ozark, Chadwick, Forsyth and Pinetop, Missouri, to the northern boundary of Arkansas. Between the territory north of this group and points north of East St. Louis the lines north receive arbitrary proportions predicated on a division of the Chicago-Missouri River rate, first deducting the Mississippi River bridge tolls and subdividing the balance of 47½ per cent east of the Mississippi River.

These divisions are set out in specific amount in the Illinois Freight Association division sheet No. 3-C (Tr. 4163-4164).

The rate grouping controls the northern division group and is therefore necessary to take into account the application of the rates in connection with the several tariffs covering the rates to and from this territory. Western trunk line tariff No. 18-K, E. B. Boyd's I. C. C. No. A-1337, carries rates from the territory in western Missouri, Springfield and west, and west of Windsor on the Rock Island. We have prepared a map showing the boundaries

of the Chicago, Peoria, St. Paul, Duluth and differential rate territories (Tr. 4164).

[fol. 160] I know that the western trunk lines do not get the bridge toll. We got 47½ per cent of the balance of the rate after the bridge toll has been deducted. We got 47½ per cent for the proportion east of East St. Louis after these deductions were made. I don't know what the western lines get. The lines east of East St. Louis take the Chicago-Missouri River rate, less these deductions, and take 47½ per cent of the balance. I don't know whether the western lines get 52½ per cent of the same balance or not (Tr. 4164-4165-4166-4167).

Exhibit A-15 is a map headed "Rate grouping western trunk line tariff 18 to and from southwestern Missouri, used in connection with Illinois Freight Association Division sheet No. 3-C" (Tr. 4168).

(Exhibit A-15 was received in evidence.)

[fol. 161] On traffic to and from the St. Paul group in Minnesota, north of Chicago, Peoria & St. Louis groups in Iowa, there is a varying rate application, Chicago rates, but no higher than the St. Paul rates, and the Chicago rates, but no higher than Peoria rates are applied. On traffic between Peoria rate points and southwestern Missouri, the lines west of East St. Louis are allowed the same proportions as they receive in the division of the rate to and from Chicago, the lines east standing the shrink between the Chicago and Peoria rates.

To the territory taking rates higher than Milwaukee, the lines west of East St. Louis receive the same earnings as they receive in the division of the rates to and from Milwaukee. This basis applies via East St. Louis to substantially all Missouri territory. I think there are not any exceptions to that (Tr. 4169).

On traffic between southwestern Missouri points and Milwaukee, the lines west receive Chicago earnings, there being no specific Milwaukee group as to this traffic.

An exception to the general application of this division is made as to traffic moving to or from stations on the Chicago & Northwestern, or the Chicago, Milwaukee & St. Paul, since those lines will only observe Illinois Freight Commission division sheet No. 3-C on traffic to and from

Missouri stations on the Rock Island, Windsor and east; on the Missouri Pacific, Jefferson City, Bonneville, Lexington, Holden, Sedalia and intermediate points, also between Bonneville and Tipton, Missouri, and M. K. & T. stations, Holden, Missouri, Windsor, Missouri, and north and east thereof on the Frisco, Springfield, Missouri and east. [fol. 162] The rates involved are subject to specific routing and it does not necessarily follow that all of this territory is open to the application of rates via East St. Louis (Tr. 4169-4170).

The divisions in I. F. A. 3-C cover classes and commodities, except petroleum oil and products, coal and coke, copper matte, pig lead, grain and grain products and hay, lithards, forest products, ore, bullion, sand, stone, gravel, cotton and cotton linters (Tr. 4170).

The Mississippi bridge tolls to which I have referred are eight cents on the first four classes and three cents on classes 3 to E inclusive. The arbitraries between Chicago and East St. Louis representing 47½ per cent of the Chicago-Kansas City rate minus these deductions are the following on the ten classes: 54, 43, 29, 19, 18, 22, 18, 14, 12 and 10. To arrive at these divisions, we take the Kansas City-Chicago rate, then deduct the bridge arbitraries, and take 47½ per cent of the balance. That produces the figures which I have just referred to. This basis of division applies via East St. Louis, between Chicago territories and Missouri territory west of the Frisco (Tr. 4170-4171).

The proportions between Chicago, Cairo, Gale and Thebes are higher than the division via East St. Louis by 4½ cents on classes 1 to 4 and 3 cents on classes 5 to E. The commodity divisions via these gateways being generally 3 cents per hundred pounds higher than the divisions between Chicago and East St. Louis (Tr. 4171).

On business to and from Milwaukee and points taking the same rates the Chicago-East St. Louis proportions are plussed by the following amounts: First class, 9 cents. Second class, 7½ cents. Third, 6 cents. Fourth class, 4½ cents, and Fifth class to Class E, inclusive, 3 cents. [fol. 163] On business between Milwaukee and Cairo, Gale and Thebes, the Milwaukee-East St. Louis divisions are plussed by the following amounts: Classes 1 to 4, 4½ cents, and classes 5 to E, 3 cents (Tr. 4171-4172).

On shipments moving on through commodity rates on which there are no specific commodity divisions, the proportions for the lines East of the Mississippi River crossings are the same percentage of the class divisions that the through commodity rate is of the class rate. On shipments that move on class rates the proportions east of East St. Louis are the class rate divisions irrespective of any specific commodity divisions that may be published (Tr. 4172).

The grouping north of East St. Louis on traffic to and from Missouri points varies. The Missouri Pacific in its tariff 4381-E, I. C. C. No. A-5881, publishes rates between Missouri points and points east of East St. Louis. Exhibit A-16 illustrates the grouping applicable to this tariff. This exhibit is a map headed "Rate grouping Missouri Pacific tariff No. 4381-E, I. C. C. No. A-5881, to and from Missouri used in connection with I. F. A. division sheet No. 3-C" (Tr. 4173).

(Exhibit A-16 was received in evidence. It shows the groups referred to in Illinois, Iowa, Wisconsin, Minnesota and the upper peninsula in Michigan, the boundaries of the groups being outlined in red.)

Illinois Freight Association Division sheet No. 3-C shows specifically the divisions applicable between Chicago, Milwaukee, East St. Louis, Cairo, Gale and Thebes, and from the territory taking rates higher than Milwaukee, the lines south receive Milwaukee earnings.

[fol. 164] An exception to the general basis of the divisions, namely 47½ per cent on the Chicago-Kansas City rate, after deduction of the bridge toll, is made on traffic between Chicago and points taking the same rates and Jefferson City, North Jefferson, Sedalia and Columbia, Missouri.

On business to and from these points the lines east of East St. Louis receive 50 per cent, first deducting the bridge tolls.

On traffic to and from Hermann and Washington, Missouri, which are intermediate to Jefferson City, the lines east of East St. Louis receive 55 per cent, first deducting the bridge toll. The provision covering this is shown on page 7, item 10 of Illinois Freight Association division sheet No. 3-C, which reads as follows:

"In dividing commodity rates between Chicago and common points and Columbia, Hermann and Jefferson City, North Jefferson, Sedalia and Washington, Missouri, which are lower than Missouri River basis, the following divisions will apply: Jefferson City, North Jefferson, Sedalia and Columbia, 50 per cent, east of East St. Louis, Alton or East Hannibal, 50 per cent west of East St. Louis, Alton or East Hannibal, Illinois; Hermann, Missouri, Washington, Missouri, 50 per cent east of East St. Louis, 45 per cent west of St. Louis; St. Louis bridge tolls as per Terminal Railroad Association of St. Louis division sheet 15, supplements thereto or reissues thereof, to be deducted before pro rating and accrue to the line handling the traffic across the river" (Tr. 4173-4174).

The divisions between Chicago and Jefferson City are not the same as between Chicago and Kansas City, because the percentages vary. We got 47½ per cent on Kansas City business via East St. Louis, first taking out the bridge toll deduction, but on Jefferson City business we got 50 per cent of the rate, first deducting the bridge toll (Tr. 4174-4175).

[fol. 165] The lines north of Chicago are allowed 25 per cent of the East St. Louis-Milwaukee division in the case of special commodity rates between Milwaukee and Jefferson City, North Jefferson, Sedalia, Columbia, Hermann and Washington, Missouri, which are lower than the rates to and from Kansas City. The balance is subdivided on Chicago destination percents, the bridge tolls being taken out of the proportion south of Chicago, that is, before we make the subdivisions, we take out the bridge toll and then take our percentage proportion of the balance. The bridge toll plus the balance goes to somebody else. I am talking about the Missouri points north of the St. Louis-Springfield line. The divisional basis is generally the same to those points with the exceptions that I have mentioned. All of those points north of the line referred to are blanketed for divisional purposes via East St. Louis (Tr. 4175-4176).

The Missouri Pacific in division basis No. 3278-C publishes divisions on through billed traffic, taking the first four class rates and also on cotton piece goods less than carload between Chicago and points taking the same rates

and points in Missouri via East St. Louis, which are approximately the Illinois Freight Association arbitraries converted into percentages. These apply east of St. Louis (Tr. 4176-4177).

Exhibit A-17 is a statement showing the percentages based on averages of the class rate proportions north of East St. Louis on traffic to and from points in Missouri on and south of the Missouri River, not including southeastern Missouri, that is, not including points south and east of the line shown in exhibit A-13 and A-14. I am still dealing with the territory north of the Chicago-Springfield line (Tr. 4177).

[fol. 166] (Exhibit A-17 was received in evidence. In addition to information described by the witness, the exhibit shows the averages of the present proportions north of East St. Louis, on carload and less than carload traffic. It shows what the percentages or divisions north of East St. Louis would be on a mileage pro-rate and in every instance the mileage pro-rate would result in a higher percentage than the average of the present proportions or divisions. The mileages between Chicago and Peoria, Illinois and Milwaukee, Wisconsin on the one hand and East St. Louis on the other are shown as 279, 157 and 364 miles respectively. The mileages from East St. Louis to the points in Missouri shown range from 64 miles to 336 miles.)

Attorney Towner thereupon stated that Attorney Larimore raised the question as to whether or not points on the main line of the Missouri Pacific between Kansas City and St. Louis were involved in the case, and referring to the order issued by the Commission on September 8, 1925, (Petitioner's Exhibit 2 in the District Court). Attorney Towner said that in his opinion the points on the main line of the Mssouri Pacific were in what is defined in the notice as Western Trunk Line territory. Attorney Towner said that the points on the line of the Missouri Pacific were not in the case (Tr. 4178).

Attorney Larimore objected to the consideration of Witness Behrle's testimony as to Jefferson City, Sedalia, Herman and Washington (Tr. 4178-4179).

Exam. Disque: Do you desire to have them eliminated, or do you not?

Mr. Towner: It does not make much difference whether they are eliminated or not, Mr. Examiner, for the reason [fol. 167] they are not involved. Mr. Larimore is right or not right.

Exam. Disque: I am asking whether or not we should consider them, regardless of the notice of the hearing, as a practical matter.

Mr. Larimore: We object to them being included.

Exam. Disque: All right.

Mr. Towner: That disposes of that.

Exam. Disque: Yes (Tr. 4179).

Witness Behrle, continuing: Exhibit A-17 is headed "Percentages based on average of class rate proportions north of East St. Louis on traffic to and from points in Missouri not including southwestern Missouri." There are some points on the Missouri Pacific main line between St. Louis and Kansas City included in this statement. That is Booneville, Jefferson City, Sedalia and Lexington. These are excepted points, being located on and north of the main line of the Missouri Pacific from St. Louis to Kansas City (Tr. 4179-4180-4181).

The points shown on Exhibit A-17 are those encircled in blue on the map of Missouri marked Exhibit A-14. Exhibit A-17 shows under the heading of the present percentage north an average of the class and rate proportions on the first four classes north of East St. Louis, and designated as less than carload as related to the through class rates between Chicago, Peoria and Milwaukee and the points of destination in Missouri shown in the left hand column on the exhibit.

The percentages north applicable to the traffic designated as carload is the average of the proportions on classes 5 to E north of East St. Louis as related to the through rates between Chicago, Peoria and Milwaukee and the destination points shown opposite the word "average"; the present percentage north is based on the average of all class [fol. 168] rate proportions north of East St. Louis as related to the through class rates between Chicago, Peoria and Milwaukee and the Missouri points. The mileage west represents the mileage from St. Louis pluss three miles. The percentage on the mileage basis is that arrived at by use of the mileages as shown (Tr. 4181).

You would not get the same result in every case if you took the class rate proportions and averaged them and then compared them to the through rates. The difference in the percentage would depend on the difference in the through rate (Tr. 4182).

Attorney Larimore thereupon said that the testimony concerning southwestern Missouri territory should not be introduced against the Missouri Pacific or the Santa Fe because the divisions of those roads with reference to that territory was included in the trans-Missouri agreement.

Attorney Towner said that the agreement with reference to the Oklahoma adjustment was extended to the same lines of railroad in southwestern Missouri and insofar as the agreement applied, the railroads which he represented were asking for no change in divisions insofar as the Santa Fe and the Missouri Pacific were concerned. Attorney Towner said there was no adjustment of any sort on any line in Oklahoma as to divisions via St. Louis or East St. Louis (Tr. 4182-4183).

The witness, continuing: In Supplement 3 to western trunk line division sheet No. 15-A, which is designated as No. 1, in book No. 1, and which is designated as No. 1, in book No. 1, and which is effective July 1, 1925, there appears this statement:

[fol. 169] "Changes in Merchandise Percentages.—Effective July 1, 1925, all merchandise percentages shown in Section No. 1 of division sheet Western Trunk Line No. 315-A and supplements Nos. 1 and 2, applying to and from the following territory west of the Missouri River: All stations in Kansas, Nebraska, Wyoming, Montana, Colorado, Utah and Idaho on the Union Pacific, Oregon Short Line, Los Angeles & Salt Lake and St. Joseph & Grand Island Railway; all stations in Missouri, Kansas, Nebraska, Colorado, and Oklahoma on the A. T. & S. F. Railway, C. R. I. & P. Railway, G. C. & S. F. Railway, Missouri Pacific Railroad, and Missouri Pacific Railroad in Nebraska; all stations in Kansas, Nebraska, Wyoming, Montana and Colorado on the Chicago, Burlington & Quincy Railroad; all stations in Nebraska, and Wyoming on the

Chicago & North Western Railway, will be changed as follows, subject to exceptions below:

"Percentage proportions east of the Missouri River will be increased 14 per cent; proportions west of Missouri River crossings will be reduced by the amount of the increases east thereof. Exceptions on traffic to and from the territory west of the Missouri River outlined above on the A. T. & S. F. Railway, C. B. & Q. Railroad, C. & N. W. Railway, C. R. I. P. Railway, G. C. & S. F. Railway, Missouri Pacific Railroad, and Missouri Pacific Railroad in Nebraska, these roads will not accord the increase proportion shown herein to their connections east of the Missouri River where such connections having rails west of the Missouri River, namely, M. K. & T. Railroad, St. L. & S. F. Railway, and lines reached via rails of said lines east of Missouri River gateways do not make a similar increase to the lines east of the Missouri River. The arrangement provided in this supplement applies only on shipments interchanged at Missouri River crossings via which the percentages named on this division sheet apply.

[fol. 170)] "NOTE.—The 14 per cent increase is 14 per cent of the percentage proportion as published for lines east of the Missouri River and not of the total" (Tr. 4183-4184-4185).

This applies via the Missouri River crossings named in the division sheet. Book No. 1 to which I referred is Exhibit A-5 (Tr. 4185).

Attorney Towner then said that the railroads he represented were not asking for an increase in the divisions to points on the Missouri Pacific and Santa Fe mentioned in that item and that this was also true as to the Rock Island (Tr. 4185-4186).

The Witness, continuing: St. Louis and San Francisco Railway tariff 1298-G, I. C. C. No. 8005 publishes rates to points on that line in Missouri west of St. Louis and east of Springfield.

Exhibit A-18 is a map showing the northern grouping which is outlined in this tariff. The grouping is limited to points taking Chicago and Milwaukee rates (Tr. 4186).

In Western Freight Bureau Tariff No. 506-E, E. B. Boyd's I. C. C. No. A-1007, there were published proportional rates applicable between Chicago, Milwaukee, Peoria and Bloomington rate groups and East St. Louis and Cairo, Gale and Thebes, applicable on traffic to and from points in Arkansas and Missouri. I am speaking about the rate groupings in the St. Louis San Francisco Tariff named to and from Missouri used in conjunction with I. F. A. division sheet No. 3-C (Tr. 4186-4187).

(Ex. A-18 was received in evidence.)

The divisions on Arkansas traffic were subsequently transferred to Illinois Freight Association division sheet [fol. 171] No. 5 effective September 1, 1923, but the divisions on traffic to and from Missouri points are now carried in tariff No. 506-G, E. B. Boyd's I. C. C. No. A-1438, effective January 1, 1924. The proportional rates between Chicago, Milwaukee, Peoria and Bloomington groups and East St. Louis and the Ohio River published in tariff No. 506 series applied to traffic to both Missouri and Arkansas alike. The Arkansas divisions were withdrawn from the tariff but it is still applicable as to traffic having origin or destination in southeastern Missouri (Tr. 4187).

At the time of the issuance of Illinois Freight Commission division sheet No. 6 the Southwestern lines requested that these divisions be not applied on traffic to and from Missouri points, with the understanding that they would subsequently submit some basis for the division of revenues on this business. In some instances arrangements have been made by the Northern lines for the use of Illinois Freight Committee division sheet No. 5 on traffic as a temporary matter, but this arrangement was not general. Considerable confusion exists with respect to these divisions. The complaint of the northern lines is that the lines south generally take their local rates on this traffic (Tr. 4188).

It has also come to our attention that instead of allowing the divisions as shown between the northern groups and East St. Louis where the traffic is tendered, southern connections at that point, the lines north are usually restricted to their merchandise percentage proportions of the allowance published between the northern groups and

Cairo, Gale and Thebes. Instead of allowing the first class division of 58 cents from Chicago to East St. Louis, the southwestern lines will restrict the northern lines to 65 per cent on the Chicago-Thebes division of 66 cents or 42.9 cents, a reduction of 38 per cent on the Chicago-East St. [fol. 172] Louis division (Tr. 4188-4189).

Tariff No. 506 grouping is the same as the Illinois Freight Association division sheet No. 5 grouping. The divisions I am referring to are applied to and from the territory shown on Exhibit A-13, south and east of the line from St. Louis to Springfield. On the northern end the grouping is as shown in exhibit A-18. I have used the Frisco tariff as an illustration of the grouping of this traffic. The Illinois Freight Committee division sheet that I last referred to applies as to traffic in southeastern Missouri (Tr. 4189).

Exhibit A-19 is a statement of the percentages based on the average class rate proportions north of East St. Louis and Thebes on traffic to and from Southeastern Missouri, south and east of the line from St. Louis to Springfield (Tr. 4189-4190).

(Exhibit A-19 was received in evidence. It is similar to Exhibit A-17 except that it shows percentages to points in Southeastern Missouri and shows only two western trunk line points, that is Chicago, Illinois and Milwaukee, Wisconsin, but shows the percentage bases via both East St. Louis and Thebes. The percentages under the mileage pro-rates shown are in every instance in excess of the averages of the present percentages.)

On less than carload traffic, the percentage is based on the average of the proportions north of East St. Louis and Thebes on the first four classes. The carload average is computed on the remaining classes 5 to E. The average percentage is based on an average of all of the class rate proportions 1 to E. The percentage shown represents the relation of the average proportions north of East St. Louis arrived at in this manner to the through class rates (Tr. 4190-4191).

Basis No. 1 shown in the third column on Exhibit A-19 [fol. 173] represents an average of the class rate proportions north of Thebes, subdivided on merchandise per-

centages via East St. Louis, under which from Chicago, the lines north receive 65 per cent.

Under the heading "basis No. 2" on this exhibit is shown an average of the class rate proportions shown in the division sheet as applicable north of East St. Louis. Exhibit A-19 is to be considered in connection with the map, Exhibit A-18 (Tr. 4191).

The mileages from Chicago and Milwaukee to East St. Louis are the short line mileages and would not represent the average mileages north of East St. Louis and Thebes on the traffic involved. We have selected Chicago and Milwaukee because they are the most prominent and important of the points in Illinois and Wisconsin, and the largest part of the traffic moves to these points and vicinity (Tr. 4191-4192).

Exhibit A-20 is a map of Arkansas on which are encircled in blue pencil points such as Blythesville, Jonesboro, Little Rock, and Hot Springs.

(Exhibit A-20 was received in evidence. In addition to the matters referred to by the witness, it shows the location of the principal railroads operating in Arkansas, the population of the principal cities and towns and of the counties.)

Illinois Freight Association division sheet No. 5, effective September 1, 1923, shows the proportions between Chicago, Milwaukee, and East St. Louis to Cairo, Gale and Thebes, and between Peoria, and Cairo, Gale and Thebes and between Peoria, Bloomington and East St. Louis, on traffic having origin or destination in Arkansas, not provided in Illinois Freight Committee division sheet No. 3-C.

[fol. 174] Only points in the northwest corner of Arkansas, which are designated by blue pencil marking on exhibit A-20 are covered by Illinois Freight Committee division sheet No. 3. This division sheet emanated from the tariff known as Illinois Lines Tariff No. 506, the current issue of which is 506-G, E. B. Boyd's I. C. C. A-1438.

In the original tariff of this series, proportional rates were published between Chicago, Peoria, Bloomington and Milwaukee rate groups and East St. Louis and the Ohio River on traffic to and from Arkansas points. These proportional rates were accorded lines north of East St. Louis

and the Ohio River on Arkansas business (Tr. 4192-4193).

Under Ex Parte 74, effective August 26, 1920, these rates were increased 40 per cent. The rates between Illinois territory and Arkansas were only increased 35 per cent. As under the provisions of Ex Parte 74 divisions were to be increased in conformity with the percentage increase in rates, a division sheet was issued known as Illinois Freight Association No. 5, setting forth the proportional rates as shown in tariff No. 506-E, E. B. Boyd's I. C. C. No. A-1007, in effect at the time of application of Ex Parte 74 plus 35 per cent which was the increase in rates between Illinois Rate Committee territory and Arkansas and minus the 10 per cent reduction which became effective July 1, 1922, under I. C. C. Docket 13293.

The class rate proportions between Chicago and East St. Louis under this division sheet are for the classes No. 1 to 5 and A to E respectively, 56, 50, 40, 27½, 20½, 22½, 20½, 19½, 16 and 14½. The divisions between Milwaukee and East St. Louis under these classes are respectively: 85½, 57½, 46½, 32½, 24½, 25½, 24½, 22½, 19½, 17½. The class rate proportions between Chicago and Cairo and Thebes were originally the following amounts above the [fol. 175] divisions to and from East St. Louis for the classes 1 to E respectively: 5, 3, 3, 3, 2, 2, 2, 2, 2, 2.

And the following proportions over Chicago: 6, 5, 4, 3, and 2 cents on the remaining classes.

Specific divisions are provided in this sheet on various commodities, not including brick, cement, coal, coke, hay, lime, petroleum, stone, stone ware, straw, stucco and wall plaster, the commodity divisions being published between Chicago, Peoria, Pekin, Bloomington and Milwaukee groups and East St. Louis, Cairo, Gale and Thebes (Tr. 4194-4195).

Specific grouping is provided in this division sheet. This grouping is outlined on Exhibit A-21 (Tr. 4195).

(Exhibit A-21 was received in evidence and is hereafter described by the witness.)

Exhibit A-21 is headed, "Divisions to and from Arkansas via East St. Louis, Illinois Freight Association division sheet No. 5."

The Milwaukee, Chicago, Peoria and Bloomington groups are outlined in red.

The Chicago rate application on Arkansas traffic extends to the territory north of the B. & O. from East St. Louis to the Illinois boundary line, and while the division sheet is not clear, I believe that these divisions are sometimes applied to the Chicago rate groupings (Tr. 4195).

The points encircled in blue on Exhibit A-20 are the Arkansas points used in connection with Exhibit A-22 which was the relation of class rate proportions north of East St. Louis and Thebes to the through rates on traffic to and from Arkansas points (Tr. 4195-4196).

[fol. 176] (Exhibit A-22 was received in evidence. This exhibit also shows the divisions which would accrue to the lines north of East St. Louis and Thebes under a mileage pro-rate. In each instance the division under the mileage pro-rate is shown to be in excess of a basis designated as present percentages or divisions.)

(By Exam. Disque:) For instance, to Hot Springs via East St. Louis from Chicago the line north of East St. Louis gets on the average 26.7 per cent, is that right?

Yes, using the class rate proportions to East St. Louis and converting them into percentages arrived at by relating that average to the through rates to and from Arkansas.

Exam. Disque: Those are also the divisions the western lines are trying to increase in the St. Louis-East St. Louis bridge case.

Mr. Towner: Those are the same ones (Tr. 4196).

The Witness, continuing: Two bases are shown on Exhibit A-22. Under the heading of basis No. 1 is shown the averages of the class rate proportions north of Cairo and Thebes as related to the through class rates subdivided on East St. Louis on the merchandise percentages, which from Chicago are 65 per cent north and 35 per cent south. Under basis No. 2 is shown the relation of the class rate proportions north of East St. Louis to the through rates.

On traffic tendered southern lines at East St. Louis the lines south do not always allow the lines north the divisions shown via East St. Louis, but frequently allow the lines north the divisions of the proportions north of Thebes. It

sometimes depends upon who is making the settlement as to what we get as divisions.

[fol. 177] We say on business interchanged via East St. Louis a division as shown via East St. Louis should apply, but our southern friends do not always agree. There are proportions published to and from Thebes in the same division sheet and they often divide the proportions between Chicago and Thebes, as an illustration, via East St. Louis. That is why I have shown two bases via East St. Louis and only one basis via Thebes. When the business moves via Thebes direct, there is no question about the divisions (Tr. 4197).

I have used Chicago and Milwaukee in Exhibit A-22 because they are the principal points, the basing points for the divisions (Tr. 4198).

Exhibit A-23 is a map of Oklahoma on which certain points have been encircled in blue. Attached to the exhibit is a statement bearing the heading, "Percentages based on average of class rate proportions north of East St. Louis and Thebes on traffic to and from points in Oklahoma."

This refers to Oklahoma traffic via East St. Louis and Thebes (Tr. 4198).

(Exhibit A-23 was received in evidence. In addition to the matters referred to by the witness, it shows the principal railroads operating in the state of Oklahoma, the population of the principal towns and cities and of counties. The statement attached to the exhibit shows that divisions on the basis of a mileage pro-rate would accord to the lines north of East St. Louis, a greater percentage of the revenues than the average of the present class rate proportions between the points covered by Exhibit A-23.)

[fol. 178] I do not show basis 1 and basis 2 on this exhibit, because I do not know whether the same method of divisions is employed as to the Oklahoma traffic. It may be, but I do not believe it is (Tr. 4199).

On traffic to and from Oklahoma points via East St. Louis and the Ohio River, the lines east receive the arbitrary proportions shown in Illinois Freight Committee Division sheet No. 3 except that on traffic to and from Howe, Potter, Maney Junction, Cameron, Neff, Poteau, Cavanal and West-

ville, Oklahoma, which are located adjacent to the eastern boundary in the central part of the state, the lines north of East St. Louis receive the proportions which are shown in Illinois Rate Committee division sheet No. 5 (Tr. 4199).

The statement attached to the map shows the percentages arrived at by taking an average of class rate proportions north of East St. Louis and Thebes and comparing it with the through class rates. The points in the statement correspond to those on the map. Where the letters l. c. l. appear, it should be understood that the average class rate proportion is based upon the first four classes. The carload averages are based on classes 5 to E inclusive. The average percentage shown is based on classes 1 to E inclusive. (Tr. 4199-4200.)

The northern grouping on Oklahoma traffic via East St. Louis is controlled by the tariff application and for the purpose of illustrating this situation, we have prepared a map showing grouping which is outlined in F. A. Leland's territorial directory No. 1-G, I. C. C. 1665, issued in connection with I. R. C. division sheet No. 3-C. This map is offered as Exhibit A-24 (Tr. 4200).

(Exhibit A-24 was received in evidence.)

[fol. 179] Chicago, Illinois, October 14, 1925.

J. A. Behrle

Direct examination (continued):

It is not correct to say that the divisions to and from Arkansas as described by me in connection with my exhibit A-21 and my exhibit A-22 apply only to the three groups that we have outlined on exhibit A-21. As I explained yesterday, the grouping shown is that contained in Illinois freight division sheet No. 5. The division sheet also contains the proviso that these divisions will be applicable to and from points from which Milwaukee, Chicago, Peoria and Bloomington rates are applied. And generally speaking, the Chicago rate application extends to the territory in Illinois south of the Peoria, Bloomington and the Chi-

cago groups, to points north of the line of the Baltimore & Ohio from East St. Louis to the Indiana-Illinois state line. That would include the additional territory in Illinois north of the line of the Baltimore & Ohio, and south and east of the Chicago, Peoria and Bloomington groups. There are no general divisions outlined to Arkansas via St. Louis or East St. Louis to and from the territory west of Illinois and Wisconsin (4204).

Generally speaking, if a shipment originated at, or was delivered in Wisconsin north of the Milwaukee line, the lines south would receive their Milwaukee earnings, and as I explained in other cases, the arbitrary if any over Milwaukee would accrue to the lines north of the Milwaukee group. To the territory in Iowa generally, there is no general basis of divisions.

There was one statement I wanted to make before I discussed the Louisiana situation, and that was that yes- [fol. 180] terday I made the statement that the divisions to and from southeastern Missouri points are contained in tariff No. 506-G, E. B. Boyd's I. C. C. No. A-1438.

The rates between the Chicago and the St. Louis groups on traffic to and from Missouri points are carried in this tariff, but the northern lines are asking for the application of tariff No. 506-E, as increased 35 per cent, less 10 per cent. I wanted to make that clear because I referred to tariff No. 506-G as containing the divisions, whereas that issue contains the proportional rates which were increased 40 per cent in conformity with ex parte 74, as applied to the state of Illinois (4205). Instead of insisting on tariff No. 506 as it now applies, the northern lines contend that tariff No. 506-E, as increased 35 per cent, less 10 per cent, should be applied. That question is not in dispute. The divisions to and from southeastern Missouri points are not contained in Illinois freight division sheet No. 5 in which are incorporated divisions on Arkansas traffic (4206).

In connection with the presentation of exhibit A-24 yesterday, I explained that the grouping of Oklahoma traffic via East St. Louis is controlled by the tariff application, and in that connection I introduced the map, the heading of which is, "Rate grouping on Oklahoma traffic via East St. Louis, F. A. Leland's 1-G I. C. C. Number 1665," used in conjunc-

tion with Illinois Freight Association division sheet number 3-C. I believe that explains the situation.

With respect to the divisions on Louisiana traffic—that is, to and from points in Louisiana west of the Mississippi river—I would say that they are in a rather chaotic condition. The southern lines have in effect several specific division sheets setting forth the percentage proportions allowed north of East St. Louis and the Ohio river, but generally speaking, these division sheets have not been specifically approved by the northern lines, although they are generally in effect. Under these division sheets the lines between Chicago and East St. Louis are allowed 30 per cent on traffic to and from what is known as the common points, which comprise Alexandria, Shreveport and Monroe, and the points in that vicinity. The 30 per cent division is also applied from points on the Missouri Pacific from points [fol. 181] north of Alexandria and Monroe, and from stations on the Tremont & Gulf and Vicksburg, Shreveport & Pacific. Where these divisions are in effect the groupings north of East St. Louis and the Ohio river are controlled by the rate grouping which is set forth in Leland's territorial directory No. 1-G, outlined on the map which will be introduced as exhibit No. A-25, which is a map headed, "Rate grouping to and from Louisiana via East St. Louis, F. A. Leland's territorial directory 1-G, I. C. C. 1665," which said exhibit A-25 was thereupon received in evidence (4207, 4208).

[fol. 182] I also wish to introduce in evidence a map of Louisiana on which there are encircled in red the cities of Shreveport, Monroe, Boyce and Alexandria, which exhibit was offered in evidence as A-26 (4209).

[fol. 183] I also wish to present as my next exhibit, A-27, a statement showing the basis for divisions on Louisiana traffic via East St. Louis, Cairo, Gale and Thebes, which exhibit was duly received in evidence (4209).

[fol. 184] From New Orleans rate points on the Texas and Pacific, the lines north of East St. Louis receive 33 per cent, first deducting the Ohio river bridge toll. With this exception, and those to which I have previously referred, the lines north *and* generally accorded Texas common point percentages of the actual rate, but not in excess of Texas common point revenue. An exception to this is sometimes

made in the case of Lake Charles and Westlake, Louisiana, which are located in the southwestern part of the state, in that on traffic to and from these points the lines north are allowed Houston percentages of the actual through rates.

It will be recalled that on traffic between Houston and the Mississippi river points such as Rock Island and Quincy, there is a different division north of East St. Louis than on traffic between those points and other points in Texas common point territory. On traffic from Milwaukee territory to Shreveport, Monroe and Alexandria, the lines north of Chicago are allowed stated arbitraries and the balance south is subdivided on the basis of the Chicago percentages. We have made a computation converting the proportions north of East St. Louis and the Ohio river on business from Milwaukee into percentages which have been shown in exhibit No. A-27. In such cases there appears a reference mark opposite the percentage shown under the column "Milwaukee territory," indicating that the percentages used are an average of the class rate proportions.

Q. On your exhibit A-27 you have shown percentages to and from the Milwaukee-Chicago territory, but on your exhibit A-25 you have shown other groups—St. Louis, Omaha, Davenport, Fox river, etc. Do percentages apply to and from those groups, or what is the situation there?

A. Well, with the Fox river territory the same situa-[fol. 185] tion would apply as in the case of divisions to Arkansas and Texas—that is, the lines north get the arbitraries, and the lines south get their percentage of the Milwaukee rate.

I do not believe that there are any percentages into the Omaha-Davenport territory. This is the rate grouping which you have in the tariff, but I do not know that there are any specific divisions published there. The divisions do not always follow the rate groupings. If they are there, they are shown in the percentages which are contained in exhibits A-5, A-6 and A-7. If there are any, I do not have them outlined in detail.

The divisional basis from Milwaukee to Shreveport, Monroe and Alexandria is also applied to certain other points in Louisiana on the Missouri Pacific, Cotton Belt, and other points which are shown in exhibit A-27.

I believe I can get an outline of some of the divisions to and from the Omaha-Davenport territory to which Mr. Towner has made reference. There is a provision in the Cotton Belt division sheet that to and from Omaha-Davenport territory the allowance on traffic to and from points on the Chicago, Burlington & Quincy Railroad in Illinois, Iowa and Missouri, and points on the Wabash south of Des Moines, north of East St. Louis is 27.5 per cent. To and from stations on the Wabash, from Council Bluffs to and including Locke Springs, Missouri, the lines north received 30 per cent. To and from the Alton-Wood river group in St. Louis territory, the lines north of East St. Louis receive 15 per cent of the Shreveport rate of traffic to and from Shreveport. Between East St. Louis and [fol. 186] points on the Wabash, Macon, Missouri, to but not including St. Louis, the lines north receive 27.5 per cent.

From stations on the Wabash, Randolph, Excelsior Springs, Glasgow and Chillicothe, Missouri, which are located in the western part of the state, and the intermediate points to, but not including Moberly, Missouri, they receive 30 per cent.

With respect to Arkansas traffic via Kansas City, there are in effect specific arrangements which, however, do not cover the entire state. There is in effect a general arrangement on traffic to and from Fort Smith, which is located near the western border in the northern half of the state, under which the lines north receive 40 per cent on Chicago traffic, 32 per cent on St. Louis traffic, 32 per cent on Omaha-Davenport traffic west of the Mississippi river, and 35 per cent on Omaha-Davenport traffic east of the Mississippi river (4212).

This division also applies on traffic to and from Van Buren and Greenwood, Arkansas. An exception to this general application is found in the case of traffic to and from Fort Smith on which the lines north of Kansas City on traffic to and from Chicago and Milwaukee territories receive 45 per cent on the first four classes, and 50 per cent on the last six classes, and on commodities so classified. On traffic taking higher than the Chicago rates, the lines south of Kansas City receive Chicago revenue. The percentages to and from points in northwestern Arkansas,

such as Gravette and Siloam Springs are contained in western trunk line division sheet No. 315. The other divisions referred to are contained in Missouri Pacific division sheet No. 786-A, Kansas City Southern, Port Arthur route 186-B, and St. Louis-San Francisco No. 1-C. The grouping north is controlled by the rate application which is shown in Leland's territorial directory No. 1-G. The application of rates to and from Fort Smith differs from [fol. 187] the rate application in the balance of the state, and it has, therefore, become necessary for us to prepare a map showing the Fort Smith application. This map is introduced as exhibit A-28 (4213).

[fol. 188] This exhibit A-28 shows the rate groupings to and from Fort Smith. The other groups that you have testified about in connection with these other percentages to and from Arkansas via Kansas City are in the same groupings as shown on the maps referring to the Chicago group, the Omaha-Davenport group, etc., already in the record. I will follow this up with the introduction of another map containing the groupings to and from Arkansas points other than Fort Smith.

The map just introduced as exhibit A-28 is headed "Rate groupings to a..d from Fort Smith, Arkansas, via Kansas City, F. A. Leland's territorial directory No. 1-G, I. C. C. No. 1665" (4214). The Fort Smith divisions are not the same as the divisions for the other Arkansas points.

I would like to introduce as map headed "Rate groupings to and from Arkansas, except Fort Smith, and Missouri via Kansas City, F. A. Leland's territorial directory 1-G, I. C. C. No. 1665." This map was thereupon received in evidence (4215).

[fol. 189] There is also attached to this map a statement showing basis for divisions on Arkansas traffic via Kansas City, and a map of Arkansas on which points such as Fort Smith and Little Rock are encircled in blue. On traffic to and from Arkansas points on the Kansas City Southern, except Texarkana, the lines to Chicago and also to the intermediate Davenport group receive 25 per cent north of Kansas City. On traffic to and from points taking higher than the Chicago rates, the lines south of Kansas City receive Chicago revenue (4215).

The Texarkana divisions, as I previously explained, are contained in Leland's division sheet No. 40, which also carries the divisions to and from Texas points.

On traffic to and from Little Rock, no divisions are provided to and from Chicago and Milwaukee.

On traffic to and from points in Chicago territory on and west of the Mississippi river, the allowance east of Kansas City is 23 per cent, and on business to and from the Davenport group, 21 per cent.

On traffic to and from Des Moines and Omaha territories, the lines north receive Davenport revenues while to the territory north of Omaha and Chicago the lines south of Kansas City receive the same revenue as on traffic to and from Chicago territory west of the Mississippi river. These divisions are shown in St. Louis-Southwestern percentage sheet No. 1450, and Missouri Pacific division sheet No. 436-A.

In connection with these maps we have prepared a statement which is appended and which shows the proportion north of Kansas City to and from the various groups designated on the map of Arkansas opposite which there appear the letters A to G, which correspond with the divisions shown on the statement (4216).

[fol. 190] The statements last referred to show the percentages applying to and from the particular points shown thereon. The grouping is somewhat limited and we have, therefore, taken out representative points in order to illustrate in general what the divisional situation is. The "Atlantic" referred to thereon is a specific point in Iowa, and that is true of all of the others there. In some cases these percentages are grouped. In other cases they are not so grouped. But I have explained somewhat generally the group application between Chicago and the intermediate points in my explanation.

The next exhibit which I would like to introduce, A-30, is a statement showing basis for divisions on Louisiana traffic via Kansas City, attached to which is a map of Louisiana.

This exhibit A-30 was received in evidence (4217).

[fol. 191] On Louisiana traffic via Kansas City the divisions provided generally apply from point to point, or with

a limited group application at points north of Kansas City. We have, however, undertaken to set out the situation as clearly as possible by drawing a map indicating origin territory to and from which percentages are published, and have also shown on a separate statement the divisions to and from these points and representative northern destinations. The map of Louisiana shows the points which are designated by the letters A to G, inclusive, and the group lettering appearing on the left hand column of the statement of divisions shows *that* the percentages north of Kansas City to and from points such as Chicago, St. Paul, Milwaukee and other points located in the states of Illinois and Wisconsin. New Orleans is shown on the map but may be excluded from consideration. That is true of Baton Rouge also.

A question was raised as to whether Mississippi river points are involved in this case, such as Vidalia, Louisiana, and Helena, Arkansas. It was ruled that they are involved until withdrawn, and counsel for the complainants was subsequently to make a statement to clear up that question.

Exhibit A-31, a map covering the southwestern lumber divisions, was thereupon offered and received in evidence (4220).

[fol. 192] Exhibit A-31 which was headed "Divisions north of Kansas City on Southwestern Lumber" shows in red the proportions on lumber from the territory south of Kansas City, within the boundary lines of the territory circled in blue pencil. These divisions were taken from F. A. Leland's Division sheet No. 27-C which is Western Trunk lines division sheet No. 520-D, which is applicable to what is known as Western Trunk line territory; and F. A. Leland's division sheet No. 558-A, Illinois Freight Association division sheet No. 12-A, which applies to what is known as Illinois Freight Association territory, and which includes the central and northern parts of Illinois and Wisconsin north and south of a line drawn from Milwaukee to Prairie du Chien via Watertown and Madison.

On this map the red figures show the proportions in cents per one hundred pounds.

In connection with this map, there was also offered and received in evidence exhibit A-32 (4222).

[fol. 193] Exhibit A-32 is a statement showing rates and divisions via Kansas City on lumber from points in the Southwest to points in Western Trunk line territory including Illinois. The rates and divisions are stated in cents per one hundred pounds. Opposite the letters Y P under the heading in the second column, designated "Commodity," are the divisions applicable on yellow pine and cypress lumber. The letters H, W represent hardwood lumber, that is lumber other than yellow pine and cypress. The divisions shown in this statement north of Kansas City conform to the divisions shown on the map which has been designated No. 31. The origin territory includes points in the state- of Missouri, Oklahoma, Arkansas, Louisiana and Texas. The map and the divisions shown apply only on lumber routed through Kansas City. The divisions are the divisions applicable north of Kansas City. Lumber is one of the principal commodities as to which special divisions apply. I mentioned quite a list of them in describing the general divisions, but with respect to many of those excepted commodities, there is not much movement, it is a sort of special movement. Sometimes an exception is made because of a local situation, or combination rates, or restrictions to local rates either north or south of the junctions between Illinois, Western Trunk line, and Southwestern lines.

There is a heavy movement of lumber, and the divisions are specifically stated in cents per one hundred pounds north and south of the junctions.

I have made an investigation of the age of these divisions particularly with respect to the Texas situation. I have in my possession a copy of division sheet No. 102, issued by the Chicago and St. Louis Traffic Association which bears [fol. 194] the effective date of April 25, 1896. This issue sets forth divisions between Chicago and East St. Louis, East Hannibal, East Louisiana, and Cairo, Illinois, on traffic to and from Texas; Louisiana, including Shreveport and Monroe; Missouri, New Mexico, Arizona, the Republic of Mexico, Indian Territory; also Kansas, Colorado and Utah, except via the Chicago and North Western and Chi-

cago, Milwaukee & St. Paul, via which lines special exception is made; also points on connecting lines in Illinois east and south of East St. Louis. This division authority on sheet 2 shows that on traffic to or from points in Chicago territory and points in Texas and Louisiana taking Texas common point rates or higher, and East St. Louis, East Hannibal and East Louisiana, the lines north will receive 20 per cent on all classes and commodities in effect between Chicago and Texas common point territory, observing agreed Texas differentials as minimum and local rates between Chicago and East St. Louis, East Hannibal or East Louisiana as maximum proportions to the lines east of the Mississippi river.

In the body of the tariff there are shown specific arbitraries on a number of commodities applicable on Texas traffic. This division sheet cancelled division sheet No. 99, of which I have no copy. I find that subsequent to this division sheet there was published a division sheet known as southwestern tariff committee division sheet. We are unable to run this division sheet back to its origin date, but we find in division sheet No. 15, issued by George W. Cahill, chairman of the Southwestern Tariff Committee, on June 14, 1902, a division on traffic between Chicago territory and Texas points taking common point rates or lower, north of East St. Louis on carloads of 17.5 per cent and on less than carload of 20 per cent.

[fol. 195] In Supplement No. 8 to the same division sheet, effective July 15, 1902, in item No. 376 on page 2, this division appears as 20 per cent on all traffic. The original division sheet, Southwestern Tariff Committee division sheet No. 15, effective July 15, 1902, also shows in item No. 23 on page 6, which is a double page, a division of 25 per cent via Kansas City on traffic between Chicago territory and Texas points taking common point rates or lower (4227). On page 2, which is a double page, Supplement 8 to the same division sheet effective August 20, 1902, there is shown item No. 371, amending item No. 23 of the original tariff, and this division sheet shows a percentage of 30 per cent north of Kansas City on traffic between Chicago and points taking the same rates, and Texas points taking Texas common point rates or lower.

With respect to Illinois Freight Association division sheet No. 3 series, it may be stated that there is a record of

the arrangement under which bridge arbitraries will be deducted from the Missouri river rate, and the balance subdivided east of the Mississippi river, 47.5 per cent, as far back as March 11, 1896, at which time reference was made to this arrangement, and in addition it was stated that:

"On business to and from Peoria and points taking the same rates, the proportions east of the Mississippi river shall be the Chicago divisions, less the difference between the Chicago and Peoria through rates.

"In no case shall lines east of the Mississippi river receive proportions in excess of those shown in Chicago and St. Louis Traffic Association division sheet No. 99"

which as I previously explained, was cancelled by division sheet No. 102, which took effect April 25, 1898.

[fol. 196] The present divisions on oil from Oklahoma to Western Trunk line territory via Kansas City were arrived at in the following manner:

Following the decision of the Interstate Commerce Commission in the Mid-Continent case, in which rates were fixed on oil from Kansas and Oklahoma points to Western Trunk line territory, the question of divisions arose, and this subject was disposed of by arbitration, the arbitrators being Mr. E. B. Boyd and Mr. W. A. Peteet. The divisions now in effect from Oklahoma on oil were those fixed by those arbitrators representing the Western Trunk lines and the Southwestern lines, respectively (4228). The exposition of the divisions which I have made is general. I have undertaken to outline the general basis of divisions, and I have not discussed the situation in minute detail. It was necessary for me to confine myself to this presentation for the reason that practically every divisional basis is subject to exceptions. The divisions as given do not always apply via all lines and via all routes, and therefore the presentation that I have made is general, and takes in only the fundamentals, and not the detailed situation.

[fol. 197] E. J. SCHMIDT

My name is E. J. Schmidt. I am chief of Tariff Bureau, Chicago & Eastern Illinois Railway Company. I have

charge of all division matters for my company. My testimony is to be on behalf of all lines operating north from East St. Louis, Cairo, Gale and Thebes, Illinois, and will be confined wholly to the lumber divisions from the Southwestern territory via Cairo, Gale, Thebes and East St. Louis.

Examiner Disque: How does Cairo get in? I thought we eliminated Cairo yesterday. I thought everything south of Thebes on the Mississippi river was eliminated.

Mr. Larimore: I asked yesterday about Cairo because it was north of the Ohio river and the Examiner said that you could not cross the river at Cairo, so then I quit.

Here follows a colloquy between counsel, and it was finally stated by Mr. Towner that complainants would have made a definite list of the division points that were to be considered so that there would be no misunderstanding on the record as to what was taken out.

The witness then resumed: The divisions accruing to the lines north of Gale, Thebes or East St. Louis, out of the through rates on lumber appearing in F. A. Leland's I. C. C. 1763, tariff 110-B, or in individual issues applying to Illinois, Upper Peninsula of Michigan, and Wisconsin, are provided for in Southwestern Lines division sheet No. 47-A, which is Western Trunk Line division sheet No. 558-A, Illinois Freight Association division sheet No. 12-A. I think that that sheet has been tendered in the record. The divisions accruing to lines north of East St. Louis, Illinois, applying in connection with rates published in Southwestern Lines tariff No. 77 series, I. C. C. No. 1747, are provided for in Southwestern Lines division sheet No. [fol. 198] 27-C, Western Trunk Line division sheet No. 520-D.

To properly explain the proportions shown in these division sheets necessitates a brief review of the manner in which the rates were constructed prior to the rate changes, due to the fact that the rates on lumber from the Southwest have always divided in accordance with the manner in which they were constructed.

The Southwestern lumber producing territory is divided into several groups, rate groups. There is a group south of the Arkansas River, commonly known as the yellow pine blanket, which takes in points in Arkansas, practically

the entire state of Louisiana, and points in Texas and Oklahoma.

I have prepared a map which will indicate the different lumber rate groups as of June 24, 1918, to Thebes, Illinois, Thebes being the rate making point at that time.

Said map was identified as exhibit A-33 and was offered and received in evidence (4241).

[fol. 199] This map was prepared from the tariffs that we had available in our office, showing the different rates from the different rate groups up to Thebes, Illinois. We were short some tariffs, however, and consequently we were not able to incorporate the figures showing the rates to Thebes as of that date.

The map indicates two sets of figures in some instances, and the larger figure indicates in all cases the rate on yellow pine lumber, and the smaller figure the rate on hardwood, to Thebes, Illinois.

It will be noted from the map that from the territory north of the Arkansas river, which I think has been shown in a sort of green line extending from the Arkansas State line over to the Mississippi river,—and there appears to be a brown line mixed in there also—that has been separated into different rate groups indicating that the rates on lumber from the territory north of that line were graded from a figure of 15 cents down to as low as 4 cents per one hundred pounds.

These rates were practically in all cases published in the tariffs as basing rates to Thebes, and to those rates were added the local rates of lines north of Thebes; that combination resulting in practically all cases in the lowest through rates. There were many instances, however, we found where the rates were constructed on the East St. Louis combination from points directly south of St. Louis and west of East St. Louis. However, we were not able to turn up the old tariffs to indicate just what points they were, and it would be quite difficult to map them out. At any rate, there were a number of points where the rates were constructed on the full East St. Louis combination, and in the division of those rates the lines north of East St. Louis received their full local rates.

[fols. 200 & 200½] As I stated, where the Thebes combination made the rate on June 24, 1918, the lines north of Thebes in every instance received the full tariff rates from that gateway, and where the St. Louis or East St. Louis combination made the rates, the lines north of those gateways received their full local rates.

Answering the question as to what would be the result if the traffic moved through both gateways, across the river to Thebes, and then up to St. Louis or East St. Louis, I will state that I will hereafter come to the divisional basis for East St. Louis. There was a different basis in effect on lumber crossing the river at Thebes, and then moving through East St. Louis. Under General Order No. 28, the rates were increased 25 per cent, subject to a maximum advance of five cents per one hundred pounds, and under Ex Parte 74 again increased 35 per cent, and reduced 10 per cent under the Commission's decision in Docket 13293.

I think there was some readjustment made, however, prior to the July 1st reduction in the Southern Hardwood case, I. C. C. Docket No. 12995, but the rates in effect at the present time I think I can safely say reflect the Thebes combination of June 24, 1918, increased 25 per cent, subject to a maximum of five cents, and reduced ten per cent. So I did not go into detail at all, or I will not go into detail as to the rates made effective under the Hardwood Case, because they are ten per cent under the August 26, 1920, rates.

Also, there have been some changes in the rates into Western Trunk Line territory, and I think a certain territory in Illinois, occasioned by fourth section complications.

I have stated that, as to certain territories, the rates divided so as to give the north lines their full local rate. [fol. 201] Answering the question as to whether in those instances the southwestern lines also get their full local rate, they get such full local rates where the full local rates south were used as a factor in constructing the rate. In some cases, as I have also explained, the Southwestern lines published these rates, for illustration, on the hardwood lumber, as basing rates, whereas they might not have published that particular rate as a local rate, but gener-

ally speaking, the southwestern lines received their full local rate up to Thebes.

I have endeavored to indicate that the current rates generally speaking were published on the Thebes combination as of June 24, 1918, and it is quite natural to assume that the current divisions via Thebes, or East St. Louis, were based on a parity, using the factors in effect immediately prior to June 24, 1918. But unfortunately, that basis is not the present basis for divisions on lumber from the southwest. They are arrived at in a very peculiar manner, and in my opinion, all things considered, it is going to be a little difficult to explain them clearly. The rates via Thebes were divided on basis of a pro rate, using as factors the rate of 16 cents up to Thebes and the local rate north. Those factors were reconstructed into per cents, and applied to the rate in effect in the southwestern blanket group. In other words, the territory north of the blanket group was not given any consideration in arriving at the proportions accruing to the lines north of Thebes (4246).

The records in the files of the Illinois Rate Association and the southwestern lines contain the following, which is supposed to indicate the basis for divisions via Thebes, Illinois—that is, from all points shown in my previous exhibit, including southeastern Missouri:

[fol. 202] "The divisions via Cairo, Gale and Thebes to be based on an actual revenue pro rate as of June 24, 1918, using as factors the local rate of 16 cents to Cairo, Gale and Thebes, and local rates north thereof, as appearing in W. J. Kelly's freight tariff No. 65-E, I. C. C. No. 691, applied to the rate in effect from the southwestern blanket."

I am quoting the above because the word "actual" as used seems to me to be misleading; and, in that an actual pro rate was not used, I wanted to indicate it, that is to avoid any possibility of misunderstanding. In fact, I want to say that the rates were not based on an actual revenue pro rate.

I have prepared another exhibit which merely shows the rates, the current rates, and divisions from respective points in the southwest to points in Illinois and Wisconsin; and the reason I have confined this statement to the Illinois and

Wisconsin points is because of the fact that there is not a complete line of rates in via Thebes to Western Trunk line territory as a whole.

This exhibit A-34 was thereupon offered and received in evidence (4247).

I find I have neglected to show the tariff authorities for the local rates as appearing on this statement south of Thebes, Illinois; and I would like to add that from the points that we have used, the tariff authorities for the local rates are as follows:

Missouri Pacific I. C. C. No. A-5957; St. Louis-Southwestern I. C. C. No. 4231; Chicago, Rock Island & Pacific I. C. C. No. C-11423.

As to divisions via East St. Louis to Illinois Rate Committee territory and western trunk line territory, I would like to offer a map which we have prepared showing the [fol. 203] proportions in cents per hundred pounds north of East St. Louis on lumber from the southwestern producing territory, and was also offered and received in evidence exhibit A-35 (4248).

The red figures shown on this map are in cents per one hundred pounds and represent the proportions north of East St. Louis, irrespective of the origin of the traffic from the southwest.

Answering the question as to how we get proportions north of East St. Louis on traffic to Des Moines, I was going to mention that to some of this western territory, the divisions apply either via St. Louis or East St. Louis. I might state that right now the southwestern lines divisions sheet applying in connection with tariff 77 indicate to the southwestern territory that the divisions apply either via St. Louis, Missouri, or East St. Louis, Illinois. By western territory, I mean, the territory west of the Mississippi river. That does not include Wisconsin. Those divisions apply north of East St. Louis, Illinois. Illinois is north of East St. Louis. I think, however, that there may be some arrangements in effect with some line,—or least it has been so indicated to us,—that some of the lines are not applying the Illinois Freight Association basis for divisions north of East St. Louis as provided for in the sheet. In other words, there was a sort of equalizing basis put in

where on lumber from the west side moving up the west side lines via St. Louis, the division would be the bridge arbitrary higher than the east side division.

The divisions via East St. Louis to points shown in southwestern lines division sheet No. 47-A are arrived at as follows: To Chicago, Chicago district, points taking Chicago rates from the southwest blanket, and from Thebes, Illinois, the lines north of East St. Louis receive 28.9 per cent of the rate in effect from the southwest blanket group.

To all other points in Illinois on and north of the line of [fol. 204] the Baltimore & Ohio, the lines south of East St. Louis receive Chicago revenue except as follows:

To points in Illinois taking East St. Louis rates, the lines north of East St. Louis receive 3.6 cents per one hundred pounds. To points in Illinois on the Chicago & North Western, Chicago, Milwaukee & St. Paul and the Minneapolis, St. Paul & Sault Ste. Marie intermediate with Milwaukee, to which the rates from the southwest blanket are the same as to Milwaukee, but to which the rate from Thebes is higher than to Chicago, but less than Milwaukee from Thebes, the lines north of East St. Louis are to be allowed the Milwaukee revenue.

I have tried to study that paragraph time and again, Mr. Examiner, to find out what it really means, but I have not had the time to do it. Anyway, the divisions were checked in in accordance with that paragraph, and whatever it means is for somebody else to determine, I think.

To points in Wisconsin taking Milwaukee rates from the southwest blanket, and from Thebes, the lines north of East St. Louis will receive 13 cents. That division, however, does not apply in connection with the Cotton Belt. The Cotton Belt would not subscribe to an allowance of 13 cents north of East St. Louis on traffic to Milwaukee, and in that the basis for divisions to Milwaukee is not provided for in the east, I have no knowledge of what the divisions operated by the Cotton Belt are on southwest lumber to Milwaukee through East St. Louis.

To other points in Wisconsin, in Illinois Rate Committee territory, taking higher than Milwaukee rate from the southwest blanket and from Thebes, and to which the through rate on June 24, 1918, based on combination via Thebes, the proportions north of East St. Louis are based under an allowance of 3 cents from Thebes to East St.

[fol. 205] Louis, and 3 cents less than the local rate from Thebes as of June 24, 1918, reconstructed into per cents, and applied to the current through rates.

To points in Wisconsin in western trunk line territory, the divisions are based on 16 cents to Thebes, 3 cents from Thebes to East St. Louis, and the balance of the June 24, 1918, rate north, such factors reconstructed into per cents, and applied to the rate in effect from the southwest blanket.

To other points in western trunk line territory, including points west of the Mississippi river, the divisions were based on a pro rate as of June 24, 1918, using the rates and divisions in effect from the southwest blanket, reconstructed into per cents, and applied to the current rate from the southwest blanket.

I prepared an exhibit indicating the divisions north and south of East St. Louis to go along with the map.

This exhibit, A-36, was offered and received in evidence (4252).

I would not like to say how long these divisions have been in effect, but the divisions were finally agreed upon October 1, 1924, the rate changes having been made on August 26, 1920, and prior thereto. In the intervening period, we reduced the transfers of the western lines and took what we really thought was the proper division; but finally the carriers got together, supposedly, and the result is, the basis for application that I have described. This exhibit that I have just introduced will indicate in many instances the lines south of East St. Louis today are receiving their full local rates on lumber from the southwest, those local rates up to East St. Louis reflecting a full 25 per cent increase in the rates, and 35 per cent under Ex Parte 74, and a reduction of 10 per cent, regardless of the fact that the rates north, or the through rates, were increased under General Order No. 28 approximately to a large part of this territory, only around 18 per cent.

[fol. 206] I have previously indicated that the divisions to Chicago are 11.4 cents from East St. Louis, and that figure was arrived at on the basis of 28.9 per cent; and I presume it would be interesting to know how this 28.9 per cent was arrived at.

Following the return of the roads to corporate control the question of the division of the increased rates on lum-

ber was discussed in various conferences with the southwestern lines. The lines north of East St. Louis were of the opinion that the proper divisions from the southwest blanket as of June 25, 1918, would be 10 cents per one hundred pounds, based on a local rate of 19 cents south of East St. Louis, and the balance of the through rate in effect on June 24, 1918, 27.5 cents, or 8.5 cents as the factor north. Those factors of 19 and 8.5 resulted in percentages of 69.1 per cent south of East St. Louis and 30.9 per cent north, which, applied to the 32.5 cent rate as of June 25, 1918, would have resulted in the 10 cent division which I have mentioned.

The southwestern lines, however, insisted that the June 25, 1918, rates be divided north and south of Thebes on a basis of 16 cents south and 11.5 cents north and then subdivided via East St. Louis on per cents. That resulted in a figure of 8.8 cents as of June 25, 1918, or an increase of .3 cents north of East St. Louis out of the 5 cent maximum advance,—assuming of course that the local rate south of East St. Louis was the proper figure. The factor of 8.8 cents increased 35 per cent under Ex Part- 74, because 13.5 cents under the northern lines' position, and 11.9 cents under the position of the southwestern lines. The difference of 1.6 cent was split fifty-fifty, and the proportion as of August 28, 1920, from East St. Louis to Chicago became 12.7 cents, or 28.9 per cent of a rate of 44 cents, which was in effect at that time from the southwest blanket. That [fol. 207] figure reduced 10 per cent is now 11.4 cents, and is the division in effect on all lumber from the southwest blanket to Chicago. It is applied, as I have stated, on all lumber irrespective of the origin of the traffic, and regardless of the fact that an actual pro rate as of June 24, 1918, from the territory taking less than 16 cents as of that date, to Thebes, and regardless of the fact that the East St. Louis combination made the rate in many cases, would have resulted in greater proportions to the lines north of East St. Louis. The 13 cent division to Milwaukee is also an arbitrary basis for divisions, there having been in effect I think with some of the southwest lines a division as of June 24, 1918, of 17.5 cents from the southwest blanket to East St. Louis, and 9 cents north. Those factors resulted in 33.96 per cent of the June 24, 1918, rate, reconstructed

into per cents; and applied to the different rate changes, now results in 13 cents from East St. Louis to Milwaukee (4255).

Mr. W. E. Davis: I would like, for the Kansas City Southern, to make a correction in the appearance shown here. I am credited with having entered the appearance of the Texarkana and Fort Smith Railway. It is not a party to the order in this case, and is not a party respondent. I should, therefore, like to make the correction.

Exam. Disque: All right.

[fol. 208] B. F. Parsons

My name is B. F. Parsons. I am general freight agent of the Chicago Great Western Railroad. I have been engaged in the railroad business since about 1900, for ten years with the Chicago & Alton railroad, and for the past fifteen years with the Chicago Great Western Railroad.

I have charge of rates and divisions and related matters for the Chicago Great Western and have had occasion to make a good deal of a study in connection with the matters involved in this proceeding.

Exhibit A-37 was then offered and received in evidence (4258).

This exhibit, A-37, consisting of two pages, shows on the first page the population in each decade of the states within which the divisions and traffic involved in this proceeding apply.

The information is taken from the United States census, and in showing it in the exhibit I have grouped together the four states of Illinois, Iowa, Minnesota and Wisconsin as constituting the major portion of the western trunk line group. The western trunk line group also includes the upper peninsula of Michigan, for which I did not have separate population statistics, and the northern half of the state of Missouri, but as the state of Missouri is situated partly in western trunk line and partly in the southwestern group, I have shown it separately.

For the southwestern group I have shown the states of Arkansas, Kansas, Louisiana, Oklahoma and Texas.

The figures indicate in a general way the periods during which these states were increasing most rapidly in population and are more readily compared by use of the figures at the right hand of the sheet, showing the density of the population per square mile of territory.

[fol. 209] It will be observed that while in 1870 the four western trunk line states had a population of something over five million, the population at that time in the southwestern states was about 2,400,000.

The reason why Kansas was put in the southwestern states is that many of the routes over which the traffic would move to and from the southwest would pass through the state of Kansas. The state of Kansas as to the traffic originating or terminating in that state is not involved, but as many railroads operate through a part of Kansas, I included it in this showing. The only Western Trunk line that I know of passing through the state of Kansas in going to Kansas City, for instance, is the Chicago Great Western which operates down the west bank of the Missouri river from Leavenworth to Kansas City under a trackage arrangement with the Missouri Pacific. Of course, that traffic might move through Omaha or South Omaha and thence Missouri Pacific, and would go down the states of Nebraska and Kansas to Kansas City. The Burlington route is down the east bank of the Missouri river from Council Bluffs. They have a line on the west side, but I think the traffic is all handled on the east side line. It is 24 miles from Leavenworth to Kansas City over the Great Western.

The population of the five southwestern states which in 1870 was about 2,400,000 has grown in 1920 to about twelve million. In other words, while those five states had less than half the population of the four western trunk line states in 1870, by 1920 they had approached within less than two million of the population of the four western trunk line states, indicating a marked change in conditions during that period, and following the natural settlement of the country which proceeded from east to west.

In the western trunk line states the more rapid increase in population was prior to 1900, while in the southwestern states it has continued quite regularly up to the present time.

[fol. 210] The second sheet of the exhibit is devoted to the railroad mileages in the same states and covers the period from 1870 to 1923. The figures for 1870 and 1880 reflect mileage operated, while for the other five years shown they reflect mileage owned.

There it will be seen that there was a very rapid growth in the railroad mileage in the western trunk line states up to about 1890, and then a much slower increase up to the present time, with almost no change, that is, no change of any moment, since 1910.

In the southwestern states the greatest growth in mileage was in the decades ending with 1890 and 1910 and with a very small growth since 1910.

The statement reflects the rate of railroad development in the various states and indicates the periods of time in which the largest development took place.

Exhibit A-38 was thereupon offered and received in evidence (4261), which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit A-38, Parsons, side folios 211, 212, and 213)

[fol. 211]

Ex. A–38, Parsons

Page 1

I. C. C. Docket 15234

Average Operating Revenues and Expenses per Mile of Road and Operating Ratio of Various Respondent Carriers,

Railroad	Year ended June 30, 1890				Year ended June 30, 1895				
	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Reve per m of ro
Chicago & Alton	$9 501	$5 739	$3 762	60.41%	$8 298	$4 604	$3 694	55.48%	$9 2
C. & E. I.	6 689	4 008	2 681	59.92	7 177	4 477	2 700	62.38	7 3
a–C. & N. W.	6 445	4 006	2 439	62.16	5 606	3 460	2 146	61.72	7 7
a–C. B. & Q.	8 098	5 181	2 917	63.97	7 024	4 159	2 865	59.22	8 3
C. G. W.	4 810	3 940	870	81.91	3 886	3 383	503	87.05	7 2
C. M. & St. P.	4 656	2 886	1 770	61.99	4 431	2 598	1 833	58.63	6 5
a–C. St. P. M. & O.	5 232	3 514	1 718	66.84	4 902	3 228	1 674	65.86	7 1
Illinois Central	6 313	3 855	2 458	61.07	6 560	4 243	2 317	64.68	7 8
M. & St. L.	4 336	2 749	1 587	63.38	5 094	2 916	2 178	57.24	5 2
b–M. St. P. & S. S. M.	5 513	3 537	1 976	64.16	4 677	3 049	1 628	65.18	5 9
Q. O. & K. C.	.....	.....	.....	.....	1 754	1 292	462	73.64	.....
c–Wabash	6 031	4 393	1 638	72.84	5 435	4 044	1 391	74.40	6 8
Y & M. V.	.....	.....	.....	.....	4 127	2 837	1 290	68.75	5 2
d–A T. & S. F.	4 375	2 596	1 779	59.34	4 255	3 366	889	79.10	6 2
B. S. L. & W.	.....	.....	.....	.....	.....	.....	.....	.....	.....
C. R. I. & Q.	.....	.....	.....	.....	4 514	2 909	1 605	64.45	5 9
d–C. R. I. & P.	2 762	1 892	870	68.48	2 502	1 928	574	77.05	4 2
Ft. W. & D. C.	3 685	2 238	1 447	60.74	2 816	1 949	867	69.23	3 4
e–G. H. & S. A.	5 812	3 846	1 966	66.18	5 021	3 370	1 651	67.12	6 7
G. C. & S. F.	4 168	3 349	819	80.35	5 062	4 093	969	80.85	5 3
H. & S.	.....	.....	.....	.....	.....	.....	.....	.....	3 6
H. & T. C.	.....	.....	.....	.....	8 903	5 763	3 140	64.34	7
H. E. & W. T.	2 155	1 598	557	74.12	2 968	1 785	1 183	60.14	4 1
I. G. N.	4 750	3 795	955	79.89	4 503	3 052	1 451	67.77	5
K. C. M. & O.	.....	.....	.....	.....	.....	.....	.....	.....	.....
K. C. M. & O. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	.....
K. C. S.	.....	.....	.....	.....	1 898	1 424	474	74.83	4
K. O. & G.	.....	.....	.....	.....	.....	.....	.....	.....	.....
K. O. & G. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	.....

erating Revenues and Expenses per Mile of Road and Operating Ratio of Various Respondent Carriers, 1890, 1895, 1900

Year ended June 30, 1890				Year ended June 30, 1895				Year ended June 30, 1900			
Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio
$9 501	$5 739	$3 762	60.41%	$8 298	$4 604	$3 694	55.48%	$9 248	$5 389	$3 859	58.27%
6 689	4 008	2 681	59.92	7 177	4 477	2 700	62.38	7 386	4 219	3 167	57.13
6 445	4 006	2 439	62.16	5 606	3 460	2 146	61.72	7 788	4 737	3 051	60.81
8 098	5 181	2 917	63.97	7 024	4 159	2 865	59.22	8 396	5 173	3 213	61.68
4 810	3 940	870	81.91	3 886	3 383	503	87.05	7 202	5 229	1 973	72.62
4 656	2 886	1 770	61.99	4 431	2 598	1 833	58.63	6 506	4 218	2 288	64.83
5 232	3 514	1 718	66.84	4 902	3 228	1 674	65.86	7 179	4 316	2 863	60.12
6 313	3 855	2 458	61.07	6 560	4 243	2 317	64.68	7 861	5 021	2 840	63.88
4 336	2 749	1 587	63.38	5 094	2 916	2 178	57.24	5 237	2 948	2 289	56.29
5 513	3 537	1 976	64.16	4 677	3 049	1 628	65.18	5 931	4 126	1 805	69.57
.....	.....	.....	.....	1 754	1 292	462	73.64	.....	.....	.....	.....
6 031	4 393	1 638	72.84	5 435	4 044	1 391	74.40	6 862	5 325	1 537	77.60
.....	.....	.....	.....	4 127	2 837	1 290	68.75	5 297	3 212	2 085	60.70
4 375	2 596	1 779	59.34	4 255	3 366	889	79.10	6 225	3 637	2 588	58.43
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	4 514	2 909	1 605	64.45	5 991	4 766	1 225	79.55
2 762	1 892	870	68.48	2 502	1 928	574	77.05	4 278	3 023	1 255	70.66
3 685	2 238	1 447	60.74	2 816	1 949	867	69.23	3 481	2 662	819	76.48
5 812	3 846	1 966	66.18	5 021	3 370*	1 651	67.12	6 711	5 455	1 256	81.28
4 168	3 349	819	80.35	5 062	4 093	969	80.85	5 312	3 969	1 343	74.71
.....	.....	.....	.....	.....	.....	.....	.....	3 618	2 510	1 108	69.39
.....	.....	.....	.....	8 903	5 763	3 140	64.34	7 536	5 384	2 152	71.45
2 155	1 598	557	74.12	2 968	1 785	1 183	60.14	4 135	2 560	1 575	61.90
4 750	3 795	955	79.89	4 503	3 052	1 451	67.77	5 067	3 627	1 440	71.58
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	1 898	1 424	474	74.83	4 903	3 959	944	80.75
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

K. O. & G.	.....	.....	.....	.....	.....	.....	.....	.....	....
K. O. & G. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	....
L. R. & N. Co.	.....	.....	.....	.....	.....	.....	.....	.....	....
L. R. & N. Co. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	....
La. Western	.....	.....	.....	.....	.....	.....	.....	.....	....
M. K. T.	5 268	4 035	1 233	76.60	6 417	3 852	2 565	60.02	5 9
M. K. T. of Tex.	4 351	3 376	975	77.60	4 729	4 231	498	89.24	5 5
Mo. Pac.	4 363	3 050	1 313	69.82	3 311	2 641	670	79.77	4 5
f-M. L. & T.	.....	.....	.....	.....	10 474	6 472	4 002	61.79	11 0
N. O. T. & M.	.....	.....	.....	.....	.....	.....	.....	.....	....
P. H. & S. F.	.....	.....	.....	.....	.....	.....	.....	.....	....
St. L. B. & M.	.....	.....	.....	.....	.....	.....	.....	.....	....
St. L. S. F.	4 811	2 618	2 193	54.42	4 511	2 741	1 770	60.76	5 6
St. L. S. F. & Tex.	.....	.....	.....	.....	.....	.....	.....	.....	....
St. L. S. W.	.....	.....	.....	.....	5 304	3 688	1 616	69.52	5 9
St. L. S. W. of Tex.	.....	.....	.....	.....	3 613	3 051	381	84.45	3 5
S. A. & A. P.	.....	.....	.....	.....	3 131	2 052	1 079	65.38	3 0
T. & Ft. S.	.....	.....	.....	.....	1 214	842	372	69.35	....
Texas & N. O.	.....	.....	.....	.....	7 855	4 672	3 183	59.48	5 5
Texas & Pacific	4 852	3 747	1 105	77.22	5 049	3 577	1 472	70.84	5 5
V. S. & P.	3 659	2 953	706	80.72	3 310	2 349	961	70.96	4 0

See page 2 for footnotes.

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.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5 268	4 035	1 233	76.60	6 417	3 852	2 565	60.02	5 923	3 497	2 426	59.04
4 351	3 376	975	77.60	4 729	4 231	498	89.24	5 527	4 670	857	84.50
4 363	3 050	1 313	69.82	3 311	2 641	670	79.77	4 557	3 318	1 239	72.82
.....	.....	.....	.....	10 474	6 472	4 002	61.79	11 033	6 829	4 204	61.89
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4 811	2 618	2 193	54.42	4 511	2 741	1 770	60.76	5 694	3 363	2 331	59.06
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	5 304	3 688	1 616	69.52	5 937	3 500	2 437	58.96
.....	.....	.....	.....	3 613	3 051	381	84.45	3 590	2 745	845	76.46
.....	.....	.....	.....	3 131	2 052	1 079	65.38	3 069	2 421	648	77.75
.....	.....	.....	.....	1 214	842	372	69.35	.....	.....	.....	.....
.....	.....	.....	.....	7 855	4 672	3 183	59.48	5 561	3 816	1 745	68.61
4 852	3 747	1 105	77.22	5 049	3 577	1 472	70.84	5 594	3 967	1 627	70.92
3 659	2 953	706	80.72	3 310	2 349	961	70.96	4 021	2 737	1 284	68.06

Average Operating Revenues and Expenses per Mile of Road and Operating Ratio of Various Respondent Carri

Railroad	Year ended June 30, 1905				Year ended June 30, 1910				R p d
	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	
Chicago & Alton	$12 894	$8 311	$4 583	64.46%	$13 384	$8 657	$4 727	64.67%	$
C. & E. I.	8 986	6 450	2 536	71.78	12 168	8 237	3 931	67.69	
a-C. & N. W.	8 310	5 411	2 899	65.11	9 722	6 836	2 886	70.31	
a-C. B. & Q.	9 642	6 584	3 058	68.29	9 738	6 983	2 755	71.71	
C. G. W.	8 932	6 860	2 072	76.80	8 059	6 272	1 787	75.99	
C. M. & St. P.	7 020	4 326	2 694	61.62	8 633	5 963	2 670	69.07	
a-C. St. P. M. & O.	7 384	4 533	2 851	61.39	8 681	5 687	2 994	65.51	
Illinois Central	10 478	6 875	3 603	65.61	12 720	9 520	3 200	74.84	
M. & St. L.	4 082	2 418	1 564	59.24	4 815	3 328	1 487	69.13	
b-M. St. P. & S. S. M.	6 805	4 856	1 949	71.36	6 837	3 923	2 914	57.37	
Q. O. & K. C.	2 731	2 525	206	92.48	3 251	3 435	Def 184	105.65	
c-Wabash	9 865	8 496	1 369	66.12	11 487	8 167	3 320	71.09	
Y. & M. V.	7 166	5 280	1 886	73.69	7 248	5 614	1 634	77.45	
d-A. T. & S. F.	8 018	5 724	2 294	65.15	11 660	7 500	4 160	64.33	
B. S. L. & W.	1 017	1 289	Def 272	126.68	3 829	2 861	968	74.72	
C. R. I. & G.	4 155	3 138	1 017	75.53	5 840	4 008	1 832	68.63	
d-C. R. I. & P.	5 714	3 844	1 870	67.29	8 409	6 145	2 264	73.07	
Ft. W. & D. C.	5 420	4 198	1 222	77.46	11 542	6 855	4 687	59.39	
e-G. H. & S. A.	7 779	6 082	1 697	78.19	7 901	5 628	2 273	71.24	
G. C. & S. F.	6 680	5 325	1 355	79.72	7 909	6 510	1 399	82.31	
H. & S.	4 631	3 586	1 045	77.43	6 998	3 744	3 254	53.50	
H. & T. C.	7 568	5 652	1 916	74.68	7 224	5 332	1 892	73.81	
H. E. & W. T.	5 706	3 595	2 111	63.00	6 700	4 440	2 260	66.27	
I. G. N.	5 316	3 945	1 371	74.21	7 388	6 080	1 308	82.29	
K. C. M. & O.	1 870	1 384	486	74.00	2 423	2 265	158	93.47	
K. C. M. & O. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	
K. C. S.	7 849	5 782	2 067	73.67	11 596	7 576	4 020	65.33	
K. O. & G.	1 005	1 268	Def 263	126.15	2 400	2 101	299	87.54	
K. O. & G. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	
L. R. & N. Co.	2 160	1 677	483	77.64	4 054	3 154	900	77.81	
L. R. & N. Co. of Tex.									

ing Revenues and Expenses per Mile of Road and Operating Ratio of Various Respondent Carriers, 1905, 1910, 1924

Year ended June 30, 1905				Year ended June 30, 1910				Year ended December 30, 1924			
evenue er mile f road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio	Revenue per mile of road	Operating expenses per mile of road	Net revenue per mile of road	Operating ratio
12 894	$8 311	$4 583	64.46%	$13 384	$8 657	$4 727	64.67%	$29 361	$22 737	$6 624	77.44%
8 986	6 450	2 536	71.78	12 168	8 237	3 931	67.69	27 582	23 757	3 825	86.13
8 310	5 411	2 899	65.11	9 722	6 836	2 886	70.31	17 660	14 243	3 417	80.65
9 642	6 584	3 058	68.29	9 738	6 983	2 755	71.71	17 293	12 752	4 541	73.74
8 932	6 860	2 072	76.80	8 059	6 272	1 787	75.99	16 528	13 528	3 000	81.84
7 020	4 326	2 694	61.62	8 633	5 963	2 670	69.07	14 414	11 427	2 986	79.28
7 384	4 533	2 851	61.39	8 681	5 687	2 994	65.51	15 959	12 686	3 273	79.49
10 478	6 875	3 603	65.61	12 720	9 520	3 200	74.84	31 282	24 299	6 983	77.68
4 082	2 418	1 564	59.24	4 815	3 328	1 487	69.13	9 165	8 831	334	96.36
6 805	4 856	1 949	71.36	6 837	3 923	2 914	57.37	10 890	8 362	2 528	76.78
2 731	2 525	206	92.48	3 251	3 435	Def 184	105.65	4 193	4 483	Def 290	106.91
9 865	8 496	1 369	66.12	11 487	8 167	3 320	71.09	26 419	20 201	6 218	76.46
7 166	5 280	1 886	73.69	7 248	5 614	1 634	77.45	16 033	11 724	4 309	73.13
8 018	5 724	2 294	65.15	11 660	7 500	4 160	64.33	21 409	15 562	5 847	72.69
1 017	1 289	Def 272	126.68	3 829	2 861	968	74.72	23 225	14 331	8 894	61.70
4 155	3 138	1 017	75.53	5 840	4 008	1 832	68.63	14 512	10 065	4 447	69.35
5 714	3 844	1 870	67.29	8 409	6 145	2 264	73.07	16 316	12 687	3 629	77.76
5 420	4 198	1 222	77.46	11 542	6 855	4 687	59.39	24 462	14 671	9 791	59.97
7 779	6 082	1 697	78.19	7 901	5 628	2 273	71.24	19 103	14 211	4 892	74.39
6 680	5 325	1 355	79.72	7 909	6 510	1 399	82.31	15 782	11 432	4 350	72.44
4 631	3 586	1 045	77.43	6 998	3 744	3 254	53.50	19 922	15 728	4 194	78.95
7 568	5 652	1 916	74.68	7 224	5 332	1 892	73.81	16 820	12 509	4 311	74.37
5 706	3 595	2 111	63.00	6 700	4 440	2 260	66.27	16 711	14 660	2 051	87.73
5 316	3 945	1 371	74.21	7 388	6 080	1 308	82.29	14 576	11 173	3 403	76.65
1 870	1 384	486	74.00	2 423	2 265	158	93.47	8 678	7 697	981	88.70
....	.....	.....	.....	.....	.....	.....	.....	5 725	4 757	968	83.09
7 849	5 782	2 067	73.67	11 596	7 576	4 020	65.33	23 456	17 718	5 738	75.54
1 005	1 268	Def 263	126.15	2 400	2 101	299	87.54	6 948	6 120	828	88.09
....	.....	.....	.....	.....	.....	.....	.....	19 011	12 886	6 125	67.78
2 160	1 677	483	77.64	4 054	3 154	900	77.81	12 238	10 951	1 287	89.48
....	.....	.....	.....					[illegible]	[illegible]	[illegible]	[illegible]

K. O. & G. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	19
L. R. & N. Co.	2 160	1 677	483	77.64	4 054	3 154	900	77.81	12
L. R. & N. Co. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	6
La. Western	11 067	5 958	5 109	53.84	10 107	6 444	3 663	63.76	20
M. K. T.	7 177	5 095	2 082	70.99	9 530	6 302	3 228	66.13	19
M. K. T. of Tex.	6 005	4 867	1 138	81.05	7 513	6 172	1 341	82.15	16
Mo. Pac.	6 061	4 538	1 523	74.88	6 723	5 133	1 590	76.35	16
f–M. L. & T.	14 943	9 102	5 841	60.91	13 709	9 088	4 621	66.29	21
N. O. T. & M.	.....	.....	.....	.....	2 990	2 514	476	84.10	17
P. H. & S. F.	.....	.....	.....	.....	.....	.....	.....	.....	12
St. L. B. & M.	899	487	412	54.19	3 443	2 671	772	77.59	14
St. L. S. F.	6 040	3 850	2 190	63.74	8 279	5 688	2 591	68.71	18
St. L. S. F. & Tex.	4 775	4 111	664	86.10	6 511	6 847	Def 336	105.16	14
St. L. S. W.	7 504	4 872	2 632	64.92	9 462	5 564	3 898	58.80	18
St. L. S. W. of Tex.	4 811	3 911	900	81.31	5 246	5 493	Def 247	104.70	10
S. A. & A. P.	3 638	2 486	1 152	68.33	5 394	3 926	1 468	72.79	10
T. & Ft. S.	.....	.....	.....	.....	.....	.....	.....	.....	35
Texas & N. O.	7 604	6 485	1 119	85.27	8 242	6 062	2 180	73.56	18
Texas & Pacific	6 738	4 344	2 394	64.47	8 369	6 059	2 310	72.40	17
V. S. & P.	8 272	6 016	2 256	72.74	8 271	6 018	2 253	72.76	22

a–Figures for C. & N. W.–C. B. & Q.–C. St. P. M. & O. for 1890–1895–1900 and 1905 represent operations of lines east of Missouri R
b–Figures for M. St. P. & S. S. M. for 1890–1895–1900 and 1905 represent operations of Wisconsin Central Ry.
c–Figures for Wabash for 1890–1895–1900 and 1905 represent operations of lines west of Danville, Ill.
d–Figures for A. T. & S. F. and C. R. I. & P. for 1890–1895–1900 and 1905 represent operations of lines west of Missouri River.
e–Figures for G. H. & S. A. for 1890 represent operations of Southern Pacific-Atlantic System.
f–Figures for M. L. & T. for 1895 and 1900 represent operations of Southern Pacific Lines in Louisiana.

.....	.....	.....	.....	.....	.....	.....	.....	19 011	12 886	6 125	67.78
2 160	1 677	483	77.64	4 054	3 154	900	77.81	12 238	10 951	1 287	89.48
.....	.....	.....	.....	.....	.....	.....	.....	6 529	5 476	1 053	83.88
11 067	5 958	5 109	53.84	10 107	6 444	3 663	63.76	20 204	14 425	5 779	71.40
7 177	5 095	2 082	70.99	9 530	6 302	3 228	66.13	19 119	12 948	6 171	67.72
6 005	4 867	1 138	81.05	7 513	6 172	1 341	82.15	16 427	11 787	4 640	71.76
6 061	4 538	1 523	74.88	6 723	5 133	1 590	76.35	16 800	13 379	3 421	79.63
14 943	9 102	5 841	60.91	13 709	9 088	4 621	66.29	21 097	18 958	2 139	89.86
.....	.....	.....	.....	2 990	2 514	476	84.10	17 716	12 352	5 364	69.72
.....	.....	.....	.....	.....	.....	.....	.....	12 943	8 562	4 391	66.15
899	487	412	54.19	3 443	2 671	772	77.59	14 251	8 282	5 969	58.11
6 040	3 850	2 190	63.74	8 279	5 688	2 591	68.71	18 062	12 723	5 339	70.44
4 775	4 111	664	86.10	6 511	6 847	Def 336	105.16	14 743	10 860	3 883	73.66
7 504	4 872	2 632	64.92	9 462	5 564	3 898	58.80	18 813	12 696	6 117	67.49
4 811	3 911	900	81.31	5 246	5 493	Def 247	104.70	10 011	9 558	453	95.47
3 638	2 486	1 152	68.33	5 394	3 926	1 468	72.79	10 042	8 487	1 555	85.42
.....	.....	.....	.....	.....	.....	.....	.....	35 672	19 240	16 432	53.94
7 604	6 485	1 119	85.27	8 242	6 062	2 180	73.56	18 275	15 946	2 329	87.25
6 738	4 344	2 394	64.47	8 369	6 059	2 310	72.40	17 301	12 927	4 374	74.72
8 272	6 016	2 256	72.74	8 271	6 018	2 253	72.76	22 600	17 656	4 944	78.12

& Q.–C. St. P. M. & O. for 1890–1895–1900 and 1905 represent operations of lines east of Missouri River.
M. for 1890–1895–1900 and 1905 represent operations of Wisconsin Central Ry.
–1895–1900 and 1905 represent operations of lines west of Danville, Ill.
C. R. I. & P. for 1890–1895–1900 and 1905 represent operations of lines west of Missouri River.
1890 represent operations of Southern Pacific-Atlantic System.
5 and 1900 represent operations of Southern Pacific Lines in Louisiana.

Traffic Density on Lines of Certain Respondent Carriers, 1890, 1895, 1908, 1910, 1924

	Year ended June 30, 1890.	Year ended June 30, 1895.	Year ended June 30, 1908.	Year ended June 30, 1910.	Year ended December 31, 1924.
Chicago & Alton	701 388	528 993	1 264 672	1 365 832	2 077 956
C. & E. I.	826 726	936 668	1 913 360	2 064 653	2 340 413
a-C. & N. W.	477 983	341 461	633 881	729 094	979 615
a-C. B. & Q.	698 833	574 650	735 708	824 016	1 306 203
C. G. W.	491 248	.....	1 031 595	793 716	1 299 432
C. M. & St. P.	324 097	284 423	664 133	709 161	1 001 624
a-C. St. P. M. & O.	352 966	279 853	538 272	615 903	936 842
Illinois Central	467 216	536 239	1 366 044	1 445 827	2 693 740
M. & St. L.	.....	.....	239 194	315 008	732 856
b-M. St. P. & S. S. M.	423 728	.....	774 662	684 031	773 923
Q. O. & K. C.	.....	.....	210 240	262 967	158 798
c-Wabash	542 547	421 876	1 186 364	1 322 598	1 976 350
Y. & M. V.	.....	277 172	722 859	705 270	884 567
d-A. T. & S. F.	310 238	275 729	765 417	757 977	1 102 973
B. S. L. & W.	.....	.....	15 494	315 679	1 513 461
C. R. I. & G.	.....	.....	363 300	356 496	756 232
d-C. R. I. & P.	154 762	130 237	.....	581 272	985 935
Ft. W. & D. C.	.....	.....	610 415	844 994	1 236 030
e-G. H. & S. A.	300 204	507 821	800 651	704 454	1 261 792
G. C. & S. F.	190 734	274 118	621 744	609 071	1 208 271
H. & S.	.....	.....	129 452	264 237	718 590
H. & T. C.	.....	418 068	551 241	469 808	797 777
H. E. & W. T.	.....	.....	338 535	359 056	744 843
I. G. N.	248 073	215 741	388 710	464 069	622 651
K. C. M. & O.	.....	.....	70 963	.....	771 139
K. C. M. & O. of Tex.	.....	.....	.....	.....	292 642
K. C. S.	.....	.....	1 131 710	1 204 937	1 811 133
K. O. & G.	.....	.....	60 371	77 697	446 266
K. O. & G. of Tex.	.....	.....	.....	.....	418 623
L. R. & N. Co.	.....	.....	154 083	242 132	802 505
L. R. & N. Co. of Tex.	.....	.....	.....	.....	401 148
Western					

L. R. & N. Co.	.....	.....	154 083	242 132	802 505
L. R. & N. Co. of Tex.	.....	.....	.....	.....	401 148
La. Western	.....	.....	776 689	743 056	1 225 821
M. K. T.	309 359	469 284	496 138	528 021	1 076 788
M. K. T. of Tex.	317 321	324 888	.....	.....	810 900
Mo. Pac.	284 936	205 996	499 527	552 683	1 192 000
f–M. L. & T.	.....	796 339	730 057	770 180	1 072 680
N. O. T. & M.	.....	.....	.....	165 447	1 289 512
P. H. & S. F.	.....	.....	.....	.....	897 996
St. L. B. & M.	.....	.....	104 685	152 089	664 450
St. L. S. F.	282 458	255 206	500 964	576 093	961 048
St. L. & S. F. & Tex.	.....	.....	515 508	513 347	626 735
St. L. S. W.	.....	380 729	680 461	760 547	1 101 158
St. L. S. W. of Tex.	.....	.....	264 838	297 999	440 439
S. A. & A. P.	.....	.....	201 748	248 961	380 447
T. & Ft. S.	.....	.....	.....	.....	1 754 088
Texas & N. O.	.....	.....	626 055	572 583	980 579
Texas Pacific	270 659	298 295	525 813	565 954	827 925
V. S. & P.	.....	.....	392 412	453 336	978 795

a–Figures for C. & N. W.–C. B. & Q.–C. St. P. M. & O. for 1890 and 1895 represent operation of lines east of Missouri River.
b–Figures for M. St. P. & S. S. M. for 1890 and 1908 represent operations of Wisconsin Central Ry.
c–Figures for Wabash Ry. for 1890 and 1895 represent operations of lines west of Danville, Ill.
d–Figures for A. T. & S. F. and C. R. I. & P. for 1890 and 1895 represent operations of lines west of Missouri River.
e–Figures for G. H. & S. A. for 1890 represent operations of Southern Pacific—Atlantic System.
f–Figures for M. L. & T. for 1895 represent operations of Southern Pacific Lines in Louisiana.

[fol. 214] Exhibit A-38 consisting of three pages is a comparison of the railway operating revenue per mile of road, the operating expenses per mile of road, the net revenue per mile and the operating ratio of various carriers at intervals of five years from 1890 to 1924, omitting, however, the years intervening between 1910 and 1924

The figures, except for 1924, were taken from the statistics of carriers in the United States published annually by the Interstate Commerce Commission. For 1924 the figures were obtained from the reports of the carriers on file with the Commission.

The third page of the exhibit shows for certain years the density of traffic on the lines of the roads shown.

This exhibit includes the lines of all the railroads wherever located, the entire line, except where otherwise explained by foot note.

I would like to point out, as shown by the foot note on page 2, that from 1890 to 1905, inclusive, the figures for the Chicago & North Western, Chicago, Burlington & Quincy and the Chicago, St. Paul, Minneapolis & Omaha Railways cover only the operations of their lines east of the Missouri river and they were so shown in the reports of the Commission. Similarly for the Santa Fe and the Rock Island in the same years the figures are only for the lines west of the Missouri river and for the Wabash are for the lines west of Danville, Illinois.

Subsequent to 1905, the figures are for the carriers as a whole and not divided as between different sections of the same railroad.

For the year ended June 30, 1890, of the roads operating east of the Missouri and Mississippi river crossings, five [fol. 215] had a net railway operating revenue of over $2,400 per mile of road and eight show an operating ratio below 65 per cent. Five earned net railway operating revenues of over $1,500 and less than $2,000 per mile, and only one earned less than $1,000 per mile.

Of the thirteen roads south and west of these crossings six had net railway operating revenue of less than $100 per mile of road and operating ratios ranging from 68 to 81 per cent; four had a net railway operating revenue of over $1,000, but less than $1,500, per mile of road, and the operating ratios of these roads, with the exception of the Fort

Worth & Denver City, which was about 61 per cent, ranged from 70 to 77 per cent. The remaining three had a net railway operating revenue ranging from $1,779 to $2,193 per mile of road and operating ratios of 59.34 per cent in the case of the A. T. & S. F. Railway, 66.18 per cent for the Southern Pacific-Atlantic System and 54.42 per cent for the St. L.-S. W. Railroad.

In the year ended June 30, 1895, of the thirteen roads east of the crossings three had a net railway operating revenue in excess of $2,500 per mile of road and operating ratios of 55 to 62 per cent; three had a net revenue of over $2,000 per mile of road and operating ratios of 62 to 65 per cent. Of the remaining seven only two earned less than $1,000 per mile of road and operating ratios, with one exception, ranged from 59 to 74 per cent.

Of the roads south and west of the crossings four had net railway operating revenue in excess of $2,500 per mile of road and operating ratios of 59 to 64 per cent. Of the remainder, eight had net railway operating revenue ranging from $1,079 to $1,770 per mile of road and operating ratios of 60 to 71 per cent. The remaining ten reported net railway operating revenue of less than $1,000 per mile of road and their operating ratios ranged from 69 to 89 per cent.

[fol. 216] In the year ended June 30, 1900, the net railway operating revenue of the twelve roads east of the crossings was in excess of $3,000 per mile of road for four; between $2,000 and $3,000 for five, and between $1,500 and $2,000 for the remaining three. Nine of the roads had an operating ratio below 65 and the remaining three operating ratios ranging from 70 to 78 per cent.

Of the roads south and west of the Missouri and Mississippi river crossings,—excluding the Southern Pacific Lines in Louisiana, with a net operating railway revenue of $4,204 per mile of road—five show a net revenue ranging from $2,152 to $2,588 per mile of road and operating ratios ranging from 58 to 71 per cent. The remaining sixteen had net railway operating revenues ranging from $648 to $1,745 per mile of road and operating ratios ranging from 62 to 85 per cent.

For the year ended June 30, 1905, seven of the thirteen roads east of the crossings earned a net railway operating

revenue in excess of $2,500 per mile of road, with operating ratios ranging from 61 to 72 per cent. Of the remaining six, five had net railway operating revenues ranging from $1,369 to $2,072 per mile of road and operating ratios of 59 to 86 per cent.

Of the roads south and west of the crossings—excluding the Louisiana Western and M. L. & T.—eight had a net railway operating revenue ranging from $2,067 to $2,632 per mile of road and operating ratios of 63 to 74 per cent; twelve had a net railway operating revenue between $1,000 and $2,000 per mile of road and operating ratios ranging from 67 to 85 per cent. The remaining seven had net railway operating revenues of less than $100 per mile of road and two of them incurred deficits. The operating ratios of these seven roads, with the exception of the St. L. B. & M., which was 54.19 per cent, ranged from 74 to 127 per cent. [fol. 217] In 1910 nine of the thirteen roads east and north of the crossings had a net railway operating revenue exceeding $2,500 per mile of road and operating ratios of 57 and 75 per cent. Of the remaining four, one incurred a deficit and the other three earned net railway operating revenues of $1,487 to $1,787 per mile of road and reported operating ratios of 69 to 77 per cent.

Of the roads south and west of the crossings, four had net railway operating revenues exceeding $4,000 per mile of road and operating ratios ranging from 59 to 66 per cent; four had a net railway operating revenue of over $3,000, but less than $4,000 per mile of road and operating ratios ranging from 54 to 66 per cent; seven had a net railway operating revenue ranging from $2,180 to $2,591 per mile of road and operating ratios ranging from 66 to 74 per cent. Of the remaining fifteen roads south and west of the Missouri and Mississippi river crossings, seven earned net railway operating revenues per mile of road ranging from $1,308 to $1,892, with operating ratios ranging from 69 to 82 per cent; six had net railway operating revenues per mile of road of $158 to $968 and operating ratios of 75 to 93 per cent; two incurred deficits.

In the year ended December 31, 1924, of the thirteen roads east of the Missouri and Mississippi river crossings, three had net railway operating revenues of $6,218 to $6,983

per mile of road and operating ratios of about 77 per cent; two earned net railway operating revenue of $4,309 and $4,541 per mile of road, with operating ratios of 73 per cent and 74 per cent, respectively; three earned more than $3,000, but less than $4,000 per mile of road, with operating ratios of 79 to 86 per cent; three earned between $2,500 and $3,000 with operating ratios of 77 to 82 per cent. Of the remaining two one had a net railway operating revenue of $334 and the other incurred a deficit.

[fol. 218] In the territory south and west of the river crossings three of the roads had net railway operating revenues in excess of $8,000 per mile of road and operating ratios of 54 to 62 per cent. Three earned a net railway operating revenue of approximately $6,100 per mile of road, with an operating ratio of 68 per cent. Six had net railway operating revenue ranging from $5,364 to $5,969 per mile of road and operating ratios ranging from 58 to 75 per cent. Nine had a net railway operating revenue in excess of $4,000, but less than $5,000 per mile and operating ratios ranging from 68 to 79 per cent. Four earned net railway operating revenue of $3,403 to $3,883 per mile of road, with operating ratios of 74 to 80 per cent. Six had net railway operating revenue ranging from $1,053 to $2,329 per mile of road and operating ratios of 84 to 90 per cent. The remaining four earned net railway operating revenue of less than $1,000 per mile of road, with operating ratios of 83 to 95 per cent. The latter four were the K. C. M. & O., K. C. M. & O. of Texas, K. O. & G. and St. L. S. W. of Texas.

The volume of traffic carried, as measured by tons one mile per mile of road, in the year ended June 30, 1890, on the roads east of the river crossings, ranged from about 325,000 to over 825,000. In 1924, on the same roads, three had traffic densities in excess of 2,000,000; four had traffic densities in excess of 2,000,000; four had traffic densities in excess of 1,000,000, and the remaining six traffic densities of 732,000 to 937,000.

On the roads south and west of the river crossings, in 1890 the traffic densities ranged from about 190,000 to 400,000 ton mile per mile of road. In 1924 thirteen of the roads in this territory had traffic densities in excess of 1,000,000; four, traffic densities in excess of 900,000, but less than [fol. 219] 1,000,000; four, traffic densities between 800,000

and 900,000; five, traffic densities between 700,000 and 800,000; three traffic densities between 600,000 and 700,000, and six, traffic densities below 500,000 ton miles per mile of road. These six were the K. C. M. & O. of Texas, K. O. & G. of Texas, Louisiana Railway & Navigation Company of Texas, St. L. S. W. Railway of Texas, and San Antonio & Aransas Pass Railway.

This traffic density is shown in ton miles per mile of road per annum.

Exhibit No. A-39 was then offered and received in evidence (4269), which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-39, side folios 220, 221, 222, 223, and 224)

[fol. 220]

EXHIBIT No. A-39

Witness: Parsons

Page 2

1924

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Fre per Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1924

	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills
Western Trunk Line Group:					
Illinois	8 714.58	22 142 730 040	$209 793 074	2 540 883	.947
Iowa	10 088.51	9 813 304 431	105 112 772	972 721	1.071
Michigan (Upper Peninsula)	1 666.47	1 173 016 727	13 569 359	703 893	1.157
Minnesota (South of Twin Cities)	3 523.89	3 104 593 796	36 590 249	881 013	1.172
Missouri (On and North of C. R. I. & P. Ry.)	3 475.52	5 371 546 537	57 211 154	1 544 962	1.065
Wisconsin	7 159.90	7 931 591 171	88 789 323	1 107 780	1.119
Total for W. T. L. Group	34 628.87	49 536 782 702	511 065 931	1 430 505	1.032
Total for W. T. L. Group excluding Illinois	25 914.29	27 394 052 662	301 272 857	1 057 102	1.100
Southwestern Group:					
Arkansas	4 294.06	4 479 790 911	55 391 759	1 043 253	1.236
Kansas	9 311.65	8 793 064 406	111 271 580	944 308	1.265
Louisiana (West of Mississippi River)	3 681.02	3 360 983 798	41 535 873	913 058	1.236
Missouri (South of C. R. I. & P. Ry.)	4 269.68	4 886 467 023	62 014 312	1 144 458	1.269
Oklahoma	6 233.17	5 466 771 016	71 647 599	877 045	1.311
Texas	14 538.32	11 806 290 758	165 418 139	812 081	1.401
Total for Southwestern Group	42 327.90	38 793 367 912	507 279 262	916 496	1.308

Ratio of Revenue per ton per mile in Southwestern Group —

To Revenue per ton per mile in W. T. L. Group —.....126.74%

To Revenue per ton per mile in W. T. L. Group, excluding Illinois.....118.91

EXHIBIT No. A-39

Witness: Parsons

Page 2

1924

I. C. C. Docket 15234

of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Freight Revenue Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1924

	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills	Freight revenue per mile of road
k Line Group:						
.....	8 714.58	22 142 730 040	$209 793 074	2 540 883	.947	$24 074
.....	10 088.51	9 813 304 431	105 112 772	972 721	1.071	10 419
(Upper Peninsula).....	1 666.47	1 173 016 727	13 569 359	703 893	1.157	8 143
a (South of Twin Cities).....	3 523.89	3 104 593 796	36 590 249	881 013	1.172	10 383
(On and North of C. R. I. & P. Ry.).	3 475.52	5 371 546 537	57 211 154	1 544 962	1.065	16 461
.....	7 159.90	7 931 591 171	88 789 323	1 107 780	1.119	12 401
tal for W. T. L. Group.....	34 628.87	49 536 782 702	511 065 931	1 430 505	1.032	14 758
tal for W. T. L. Group excluding Illinois.....	25 914.29	27 394 052 662	301 272 857	1 057 102	1.100	11 626
Group:						
.....	4 294.06	4 479 790 911	55 391 759	1 043 253	1.236	12 900
.....	9 311.65	8 793 064 406	111 271 580	944 308	1.265	11 950
(West of Mississippi River).....	3 681.02	3 360 983 798	41 535 873	913 058	1.236	11 284
(South of C. R. I. & P. Ry.).....	4 269.68	4 886 467 023	62 014 312	1 144 458	1.269	14 524
.....	6 233.17	5 466 771 016	71 647 599	877 045	1.311	11 495
.....	14 538.32	11 806 290 758	165 418 139	812 081	1.401	11 378
tal for Southwestern Group.....	42 327.90	38 793 367 912	507 279 262	916 496	1.308	11 985

nue per ton per mile in Southwestern Group —
ue per ton per mile in W. T. L. Group —.....126.74%
ue per ton per mile in W. T. L. Group, excluding Illinois.....118.91

1923

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Fr per Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1923

States	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills
Western Trunk Line Group:					
Illinois	8 715.51	24 275 927 106	$228 306 198	2 785 371	9.40
Iowa	10 083.91	10 267 046 394	112 658 791	1 018 161	10.97
Michigan (Upper Peninsula)	1 542.09	1 279 195 541	14 318 122	829 521	11.19
Minnesota (South of Twin Cities)	3 519.62	3 143 456 714	36 608 269	893 124	11.65
Missouri (On and North of C. R. I. & P. Ry.)	3 475.00	5 350 838 768	60 107 973	1 539 810	11.23
Wisconsin	7 162.56	8 853 214 288	96 783 616	1 236 041	10.93
Total for W. T. L. Group	34 498.69	53 169 678 811	548 782 969	1 541 209	10.32
Total for W. T. L. Group excluding Illinois	25 783.18	28 893 751 705	320 476 771	1 120 643	11.09
Southwestern Group:					
Arkansas	4 295.77	4 494 510 599	56 297 715	1 046 264	12.53
Kansas	9 239.86	7 934 945 641	104 680 761	858 773	13.19
Louisiana (West of Mississippi River)	3 557.79	2 906 436 109	39 223 999	816 922	13.50
Missouri (South of C. R. I. & P. Ry.)	4 300.91	4 695 320 766	60 895 899	1 091 704	12.97
Oklahoma	6 272.93	4 938 174 316	65 657 312	787 220	13.30
Texas	14 609.94	10 125 271 725	144 979 297	693 040	14.32
Total for Southwestern Group	42 277.20	35 094 659 156	471 734 983	830 345	13.44

Ratio of Revenue per ton per mile in Southwestern Group —.

To Revenue per ton per mile in W. T. L. Group 130.23%

To Revenue per ton per mile in W. T. L. Group, excluding Illinois 121.19

1923

I. C. C. Docket 15234

s of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Freight Revenue Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1923

States	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills	Freight revenue per mile of road
nk Line Group:						
.....	8 715.51	24 275 927 106	$228 306 198	2 785 371	9.40	$26 195
.....	10 083.91	10 267 046 394	112 658 791	1 018 161	10.97	11 172
(Upper Peninsula).....	1 542.09	1 279 195 541	14 318 122	829 521	11.19	9 285
a (South of Twin Cities).....	3 519.62	3 143 456 714	36 608 269	893 124	11.65	10 401
(On and North of C. R. I. & P. Ry.)	3 475.00	5 350 838 768	60 107 973	1 539 810	11.23	17 297
n.....	7 162.56	8 853 214 288	96 783 616	1 236 041	10.93	13 512
otal for W. T. L. Group.....	34 498.69	53 169 678 811	548 782 969	1 541 209	10.32	15 907
otal for W. T. L. Group excluding Illinois.....	25 783.18	28 893 751 705	320 476 771	1 120 643	11.09	12 430
Group:						
.....	4 295.77	4 494 510 599	56 297 715	1 046 264	12.53	13 105
.....	9 239.86	7 934 945 641	104 680 761	858 773	13.19	11 329
(West of Mississippi River).....	3 557.79	2 906 436 109	39 223 999	816 922	13.50	11 025
(South of C. R. I. & P. Ry.).....	4 300.91	4 695 320 766	60 895 899	1 091 704	12.97	14 159
a.....	6 272.93	4 938 174 316	65 657 312	787 220	13.30	10 467
.....	14 609.94	10 125 271 725	144 979 297	693 040	14.32	9 923
tal for Southwestern Group.....	42 277.20	35 094 659 156	471 734 983	830 345	13.44	11 158

nue per ton per mile in Southwestern Group —.
ue per ton per mile in W. T. L. Group.....130.23%
ue per ton per mile in W. T. L. Group, excluding Illinois.....121.19

1922

I. C. C. Docket 15234

Average Miles of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Fr per Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1922

States	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills
Western Trunk Line Group:					
Illinois	8 726.62	21 186 976 361	$204 312 992	2 427 856	9.64
Iowa	10 087.97	9 264 552 986	103 763 434	918 376	11.20
Michigan (Upper Peninsula)	1 547.20	1 014 603 024	11 965 827	655 767	11.79
Minnesota (South of Twin Cities)	3 519.25	2 812 563 468	33 882 226	799 194	12.05
Missouri (On and North of C. R. I. & P. Ry.)	3 477.02	5 004 160 594	58 347 550	1 439 210	11.66
Wisconsin	7 127.43	7 457 308 084	87 029 735	1 046 283	11.67
Total for W. T. L. Group	34 485.49	46 740 164 517	499 301 764	1 355 357	10.68
Total for W. T. L. Group excluding Illinois	25 758.87	25 553 188 156	294 988 772	992 011	11.54
Southwestern Group:					
Arkansas	3 993.57	3 494 525 623	45 562 880	875 038	13.04
Kansas	9 163.88	7 342 512 587	103 306 051	801 245	14.07
Louisiana (West of Mississippi River)	3 678.04	2 564 735 075	35 675 541	697 310	13.91
Missouri (South of C. R. I. & P. Ry.)	4 260.88	3 852 944 237	55 045 351	904 260	14.29
Oklahoma	6 338.52	4 411 226 387	63 769 447	695 939	14.46
Texas	14 473.12	9 004 934 199	136 068 162	622 183	15.11
Total for Southwestern Group	41 908.01	30 670 878 108	439 427 432	731 862	14.33

Ratio of Revenue per ton per mile in Southwestern Group:
To Revenue per ton per mile in W. T. L. Group 134.18%
To Revenue per ton per mile in W. T. L. Group, excluding Illinois 124.18

1922

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les of Road Operated, Tons Carried One Mile, Freight Revenue, Ton Miles per Mile of Road, Revenue per Ton Mile, and Freight Revenue r Mile of Road for Class I Railroads in Western Trunk Line and Southwestern Groups, Year Ended December 31, 1922

States	Average Miles of road operated	Tons carried one mile	Freight revenue	Ton miles per mile of road	Revenue per ton mile, mills	Freight revenue per mile of road
unk Line Group:						
.....	8 726.62	21 186 976 361	$204 312 992	2 427 856	9.64	$23 413
.....	10 087.97	9 264 552 986	103 763 434	918 376	11.20	10 286
an (Upper Peninsula).....	1 547.20	1 014 603 024	11 965 827	655 767	11.79	7 734
sota (South of Twin Cities).....	3 519.25	2 812 563 468	33 882 226	799 194	12.05	9 628
ri (On and North of C. R. I. & P. Ry.)	3 477.02	5 004 160 594	58 347 550	1 439 210	11.66	16 781
sin.....	7 127.43	7 457 308 084	87 029 735	1 046 283	11.67	12 211
Total for W. T. L. Group.....	34 485.49	46 740 164 517	499 301 764	1 355 357	10.68	14 479
Total for W. T. L. Group excluding Illinois.....	25 758.87	25 553 188 156	294 988 772	992 011	11.54	11 452
rn Group:						
as.....	3 993.57	3 494 525 623	45 562 880	875 038	13.04	11 409
.....	9 163.88	7 342 512 587	103 306 051	801 245	14.07	11 273
na (West of Mississippi River).....	3 678.04	2 564 735 075	35 675 541	697 310	13.91	9 700
ri (South of C. R. I. & P. Ry.).....	4 260.88	3 852 944 237	55 045 351	904 260	14.29	12 919
ma.....	6 338.52	4 411 226 387	63 769 447	695 939	14.46	10 061
.....	14 473.12	9 004 934 199	136 068 162	622 183	15.11	9 401
Total for Southwestern Group.....	41 908.01	30 670 878 108	439 427 432	731 862	14.33	10 486

venue per ton per mile in Southwestern Group:
enue per ton per mile in W. T. L. Group.....134.18%
enue per ton per mile in W. T. L. Group, excluding Illinois.....124.18

[fol. 223]

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Average Miles of Road Operated, Ton Miles per Mile of Road, Revenue per Ton Mile, and Freight Revenue per Mile of Road, 1922,

Western Trunk Line Group

Class I Railroads in Illinois, Iowa, Michigan (Upper Peninsula), Minnesota (South of Twin Cities), Missouri (on and North of C. R and Wisconsin

Year ended	Average miles of road operated	Ton miles per mile of road	Revenue per ton mile, mills	Freight mile
December 31, 1922	34 485.49	1 355 357	10.68	$1
1923	34 498.69	1 541 209	10.32	1
1924	34 628.87	1 430 505	10.32	1

Western Trunk Line Group, Excluding Illinois

Class I Railroads in Iowa, Michigan (Upper Peninsula), Minnesota (South of Twin Cities), Missouri (on and North of C. R. I. & P. Ry.), and Wisconsin

December 31, 1922	25 758.87	992 011	11.54	1
1923	25 783.18	1 120 643	11.09	1
1924	25 914.29	1 057 102	11.00	1

Southwestern Group

Class I Railroads in Arkansas, Kansas, Louisiana (West of Mississippi River), Missouri (South of C. R. I. & P. Ry.), Oklahoma and

December 31, 1922	41 908.01	731 862	14.33	1
1923	42 277.20	830 345	13.44	1
1924	42 327.90	916 496	13.08	1

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es of Road Operated, Ton Miles per Mile of Road, Revenue per Ton Mile, and Freight Revenue per Mile of Road, 1922, 1923, 1924

Western Trunk Line Group

oads in Illinois, Iowa, Michigan (Upper Peninsula), Minnesota (South of Twin Cities), Missouri (on and North of C. R. I. & P. Ry.) and Wisconsin

Year ended	Average miles of road operated	Ton miles per mile of road	Revenue per ton mile, mills	Freight revenue per mile of road
, 1922	34 485.49	1 355 357	10.68	$14 479
1923	34 498.69	1 541 209	10.32	15 907
1924	34 628.87	1 430 505	10.32	14 758

Western Trunk Line Group, Excluding Illinois

Class I Railroads in Iowa, Michigan (Upper Peninsula), Minnesota (South of Twin Cities), Missouri (on and North of C. R. I. & P. Ry.), and Wisconsin

, 1922	25 758.87	992 011	11.54	11 452
1923	25 783.18	1 120 643	11.09	12 430
1924	25 914.29	1 057 102	11.00	11 626

Southwestern Group

oads in Arkansas, Kansas, Louisiana (West of Mississippi River), Missouri (South of C. R. I. & P. Ry.), Oklahoma and Texas

, 1922	41 908.01	731 862	14.33	10 486
1923	42 277.20	830 345	13.44	11 158
1924	42 327.90	916 496	13.08	11 985

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List of Class I Railroads Comprising Western Trunk Line and Southwestern Groups

Western Trunk Line Group

Illinois:
Atchison, Topeka & Santa Fe.
Chicago & Alton.
Chicago & Northwestern.
Chicago, Burlington & Quincy.
Chicago Great Western.
Chicago, Milwaukee & St. Paul.
Chicago, Peoria & St. Louis.
Chicago, Rock Island & Pacific.
Illinois Central.
Minneapolis & St. Louis.
Minneapolis, St. Paul & S. S. Marie.
Missouri Pacific.
Quincy, Omaha & Kansas City.
St. Louis Southwestern.
Toledo, Peoria & Western.
Wabash.

Iowa:
Atchison, Topeka & Santa Fe.
Chicago & Northwestern.
Chicago Great Western.
Chicago, Burlington & Quincy.
Chicago, Milwaukee & St. Paul.
Chicago, Rock Island & Pacific.

Arkansas:
Chicago, Rock Island & Pacific.
Kansas City Southern.
Louisiana & Arkansas.
Midland Valley.
Missouri Pacific.
* Missouri & North Arkansas.
St. Louis-San Francisco.
Texas & Pacific.
St. Louis-Southwestern.

Kansas:
Atchison, Topeka & Santa Fe.
Chicago, Burlington & Quincy.
Chicago Great Western.
Chicago, Rock Island & Pacific Lines.
Kansas City, Mexico & Orient.

Iowa (Cont'd.):
Chicago, St. Paul, Minneapolis & Omaha.
Great Northern.
Illinois Central.
Minneapolis & St. Louis.
Union Pacific System.
Wabash.

Michigan (Upper Peninsula):
Chicago & Northwestern.
Chicago, Milwaukee & St. Paul.
Duluth, South Shore & Atlantic.
Lake Superior & Ishpeming.
Minneapolis, St. Paul & S. S. Marie.

Minnesota (South of Twin Cities):
Chicago & Northwestern.
Chicago, Burlington & Quincy.
Chicago Great Western.
Chicago, Milwaukee & St. Paul.
Chicago, Rock Island & Pacific.
Chicago, St. Paul, Minneapolis & Omaha.
Illinois Central.
Minneapolis & St. Louis.

Missouri (On and North of C. R. I. & P. Ry.
Atchison, Topeka & Santa Fe.
Chicago & Alton.
Chicago, Burlington & Quincy.
Chicago Great Western.
Chicago, Milwaukee & St. Paul.
Chicago, Rock Island & Pacific.
Quincy, Omaha & Kansas City.
Wabash.

Wisconsin:
Chicago, & Northwestern.
Chicago, Burlington & Quincy.
Chicago, Milwaukee & St. Paul.
Chicago, St. Paul, Minneapolis & Omaha.
Duluth, South Shore & Atlantic.
Great Northern.
Green Bay & Western.
Illinois Central.
Minneapolis, St. Paul & S. S. Marie.

Southwestern Group

Louisiana (West of Mississippi River):
Chicago, Rock Island & Pacific Lines.
Atchison, Topeka & Santa Fe.
Kansas City Southern.
Louisiana & Arkansas.
Louisiana Ry. & Navigation Company.
* Louisiana Ry. & Navigation Co. of Texas.
Southern Pacific-Louisiana Lines.
** Missouri, Kansas, Texas.
Missouri Pacific.
Gulf Coast Lines.
St. Louis-Southwestern.
Texas & Pacific.
Vicksburg, Shreveport & Pacific.

Oklahoma (Cont'd.):
Midland Valley.
Missouri, Kansas, Texas.
Missouri Pacific.
St. Louis-San Francisco.
* Wichita Valley.

Texas:
Atchison, Topeka & Santa Fe.
Gulf, Colorado & Santa Fe.
Panhandle & Santa Fe.
Gulf Coast Lines.
Chicago, Rock Island & Pacific.
El Paso & Southwestern.
Ft. Worth & Denver City.

Kansas:
Atchison, Topeka & Santa Fe.
Chicago, Burlington & Quincy.
Chicago Great Western.
Chicago, Rock Island & Pacific Lines.
Kansas City, Mexico & Orient.
Kansas, Oklahoma & Gulf.
Kansas City Southern.
Midland Valley.
Missouri, Kansas, Texas.
Missouri Pacific.
St. Joseph & Grand Island.
St. Louis-San Francisco.
Union Pacific System.

Gulf Coast Lines.
St. Louis-Southwestern.
Texas & Pacific.
Vicksburg, Shreveport & Pacific.

Missouri (South of C. R. I. & P. Ry.):
Kansas City Southern.
Missouri, Kansas, Texas.
Missouri & North Arkansas.
Missouri Pacific.
St. Louis-San Francisco.
St. Louis-Southwestern.

Oklahoma:
Atchison, Topeka & Santa Fe.
Chicago, Rock Island & Pacific.
Ft. Smith & Western.
Kansas City, Mexico & Orient.
Kansas City Southern.
Kansas, Oklahoma & Gulf.

Panhandle & Santa Fe.
Gulf Coast Lines.
Chicago, Rock Island & Pacific.
El Paso & Southwestern.
Ft. Worth & Denver City.
Galveston, Harrisburg & San Antonio.
Houston & Texas Central.
Houston East & West Texas.
International & Great Northern.
Kansas City, Mexico & Orient.
Kansas, Oklahoma & Gulf.
Missouri, Kansas, Texas.
St. Louis-San Francisco.
St. Louis-Southwestern of Texas.
San Antonio & Aransas Pass.
Texarkana & Ft. Smith.
Texas & New Orleans.
Texas & Pacific.
Trinity & Brazos Valley.
Wichita Valley.
* Louisiana Ry. & Nav. Co. of Texas.

*—M. & N. A.-L. R. & N. Co. of Texas—Wichita Valley not included in statement for 1922.
**-M. K. T. of Texas in Louisiana not included in statement for 1924.

[fol. 225] For the last three years the statistical bureau of the western lines has each year prepared from reports received by it from the accounting departments of the western carriers statements showing the number of miles of road operated in each state, the tons and ton miles carried, the freight revenue, ton miles per mile of road, revenue per mile of road and similar data.

From these statements I have drawn off the information that is reproduced in Exhibit A-39.

The second page, covering the calendar year 1924, shows for the western trunk line and southwestern groups, as indicated thereon, the miles of road operated, tons carried one mile, freight revenue, ton miles per mile of road, revenue per ton mile in mills and the freight revenue per mile of road.

The totals are shown for the groups.

In connection with the western trunk line group there is a total for the six states named and a total for five states omitting the state of Illinois (4270).

There is a very considerable density of traffic in Illinois that has nothing whatever to do with this case being the density on lines that are not respondent. The railroads omitted are shown on page 6 of the exhibit.

Page 3 shows similar information for the calendar year of 1923 and page 4 for the year of 1922.

Coming now to page 5, I have brought forward certain of the data from the three preceding pages for convenience in comparison.

The first group of figures is for the western trunk line group of states, that is, the class I railroads in Illinois, Iowa, upper peninsula of Michigan, Minnesota south of [fol. 226] the Twin Cities, Missouri on and north of the Chicago, Rock Island & Pacific Railway, and Wisconsin, as listed under the heading of western trunk line group on page 6.

The reason for dividing the state of Missouri on and north of the C. R. I & P. Railway is to overcome the difficulty caused by the fact that the Rock Island has lines both north and south of the Missouri Pacific. I have put the Missouri Pacific Railway in Missouri in the southwestern group and all of the Rock Island lines in Missouri in the western trunk line group.

It will be observed that in the three years there was only a nominal change in the miles of road operated.

There was a considerable increase in the traffic density 1922 to 1923 and then a decline from 1923 to 1924, the figures in 1924 being somewhat higher than for 1922, but less then in 1923.

The revenue per ton per mile, which in 1922 was 10.68 mills, dropped to 10.32 mills in 1923 and was the same figure in 1924.

The freight revenue per mile of road in this group of states showed an increase of not quite $1,500 from 1922 to 1923 and then a decline of about $1,200 from 1923 to 1924.

The middle group of figures on page 5 is for the western trunk line group of states excluding Illinois. The reason for showing this separate group is that a great deal of the southwestern traffic, particularly that to and from points in Iowa, Minnesota and a good deal of that movement into or out of Wisconsin, does not go through the state of Illinois and therefore, we felt it was of interest and would be helpful to consider the conditions in the western trunk line states aside from the state of Illinois.

[fol. 227] It will be observed there that from 1922 to 1924 there was a very slight increase in the miles of road operated, amounting to about 150 miles.

The traffic density in 1922 was 992,011 ton miles per mile of road and increased in 1923 to 1,120,643 and dropped down in 1924 to 1,057,102.

The revenue per ton mile decreased each year, the larger decrease being 1923 under 1922.

The freight revenue per mile of road increased nearly $1,000 in 1923 over 1922, but in 1924 it dropped back to a figure but slightly above that of 1922.

The southwestern group of roads has shown but a very slight increase in mileage but a constant and somewhat substantial increase in traffic density. In 1922 the average traffic density was 731,862 ton miles per mile of road; in 1923 it was 830,345 and in 1924 it was 916,496.

The revenue per ton per mile has declined, starting at 14.33 in 1922, being 13.44 in 1923 and 13.08 in 1924.

The freight revenue per mile of road shows a constant increase in the three years starting at 10,486 in 1922 and reaching 11,985 in 1924 (4269-4272).

In including the Rock Island line in the western trunk line instead of the Missouri Pacific main line, I was not influenced by the fact that part of the Rock Island has a very light traffic density and the Missouri Pacific a very heavy traffic density; I had this in mind: The Rock Island lines leading from Kansas City and the Twin Cities are properly in western trunk line territory and are heavy traffic lines. Now, the old St. Louis, Kansas City & Colorado between St. Louis and Kansas City, I think about 300 miles, I believe is a light traffic density line. Now, obviously, whichever side you put that one railroad would have a slight effect, but I think only a slight effect upon the final [fol. 228] averages. But I concluded that the major traffic of the Rock Island lines as a whole in Missouri was probably in western trunk line territory and having to make a choice one way or the other that was perhaps the most logical choice to make (4273).

I was not influenced by the fact that the Missouri Pacific main line from St. Louis to Kansas City is, for the purpose of this case, included in western trunk line territory and is a very high, heavy traffic density line. Perhaps I had in mind balancing one off against the other a little. They were lines that fell on both sides of the grouping and it was rather hard to place them. No matter which side you placed them on there would be some question asked as to why you did not go on the other side.

Page 6 is a list of the roads in the several states whose figures enter into the data appearing on the preceding pages of the exhibit.

Answering the question as to whether I took weighted averages, the first average is ton miles per mile of road. That is simply the result obtained by dividing the total tons carried one mile by the average miles of railroad operated, both of which figures appear on the page.

The revenue per ton mile in mills is the result obtained by dividing the revenue by the number of tons carried one mile.

The freight revenue per mile of road is obtained by dividing the revenue by the number of miles of road operated.

Exhibit A-40 was then offered and received in evidence (4273-4274).

[fol. 229] Exhibit A-40, consisting of five numbered pages, is a reproduction of certain data as to crops and various industrial activities, taken from the United States census of 1920 and from statistical abstracts of the United States for 1923, published by the Department of Commerce.

There are included in this statement statistics from a number of states with which we are not concerned in the present hearing, such as for example, Wyoming, Colorado and Utah, and those should be disregarded.

The statement was prepared and printed prior to the issuance of the orders under which this hearing has proceeded, and therefore the data is more extensive than required for the purposes of the present hearing.

I think the exhibit needs no further explanation. The source of the information and the character is clearly indicated by the captions and the foot notes (4275).

Neither Illinois or Wisconsin or Minnesota is included on page 2 of exhibit A-40. For some of those statistics I have not here the figures for the states east of the Missouri river. That is an omission that would have been supplied had this exhibit been prepared with this particular hearing in view. It was made up to supplement data already in the record in the previous case, but it bears particularly upon conditions in the southwestern states with which we are dealing here.

Answering the question as to whether the omission of those states would make a material difference in these figures comparatively speaking, I would say it is quite true that, comparatively speaking, it does not afford the opportunity to compare the one group of states with the other as to their progress.

Dairy products are not included in farm crops. Page 1 shows just soil crops.

[fol. 230] I have made some investigation of the records for the purpose of tracing the origin and the changes that have taken place in the merchandise percentages used in the divisions of class and general commodity rates between points in western trunk line territory and points in Oklahoma via Kansas City.

The first record we have of percentages applying on Oklahoma traffic is a division sheet issued by Mr. J. W.

Midgeley, chairman, Western Freight Association, effective October 1, 1888. The only Oklahoma points shown in the original division sheet were stations on the A. T. & S. F. Railway south of Arkansas City to and including Purcell, Oklahoma. In division of joint rates to and from these stations the lines east of the Missouri river were allowed 41 per cent at Chicago and 35 per cent at the Mississippi river. On October 1, 1891, in percentage book 2, these divisions were revised and the proportions of the roads east of the Missouri river reduced. To a few representative points on the Santa Fe in Oklahoma the percentage proportions east of the Missouri river were stated as follows:

To or from Ponca City, at Chicago, 39 per cent, Mississippi river, 34 per cent.

Guthrie, at Chicago, 37 per cent; Mississippi river, 32 per cent.

Oklahoma City, at Chicago, 36 per cent; Mississippi river 31 per cent.

Purcell, at Chicago 32 per cent; Mississippi river 27 per cent.

The percentages at stations on the line Purcell and north were again changed on June 19, 1893, in supplement 5 to Western Freight Association joint percentage book 3, which reduced the proportions of the roads east of the Missouri river to the following:

[fol. 231] Ponca City, at Chicago 38 per cent; Mississippi river 33 per cent.

Guthrie, at Chicago 34 per cent; Mississippi river 29 per cent.

Oklahoma City, at Chicago 32 per cent; Mississippi river 27 per cent.

Purcell, at Chicago 25 per cent; Mississippi river 20 per cent.

No change was made in these percentages from June 19, 1893, until July 1, 1925. Effective on that date, the percentages accruing to roads east of the Missouri river were increased 14 per cent, the new proportions being as follows (4275-4278).

Here follows a colloquy between counsel, the defendants objecting to the bringing into the case of an agreement between the lines, the objection being that the testimony that

is being offered has to do with an agreement, a compromise, to which Mr. Towner's client were parties and the testimony is not admissible in the record. The objection was overruled on the ground that the agreed divisions might be useful in comparing other divisions (4278-4281). An exception was taken to the ruling.

No change was made in these percentages from June 19, 1893, until July 1, 1925. Effective on that date, the percentages accruing to roads east of the Missouri river were increased 14 per cent, the new proportions being as follows:

Ponca City at Chicago, 43.3 per cent; Mississippi river 37.6 per cent.

Guthrie, at Chicago, 38.5 per cent; Mississippi river 33.1 per cent.

Oklahoma City, at Chicago, 36.5 per cent; Mississippi river 30.8 per cent.

[fol. 232] Purcell, at Chicago, 28.5 per cent; Mississippi river 22.8 per cent.

Percentage book 2, effective October 1, 1891, also provided percentages at stations on the Pan Handle division of the Santa Fe. The proportions east of the Missouri river on traffic to or from such stations at Waynoka, Woodward and Shattuck being 31 per cent at Chicago and 26 per cent at the Mississippi river. Those percentages continued in effect without change until July 1, 1925, when they were increased 14 per cent, and are now 35.3 per cent on Chicago traffic and 29.6 per cent on traffic to or from points taking Mississippi river rates.

Percentages were added at other stations on the Santa Fe System, as, for example, at points on the G. C. & S. F. Railway south of Purcell, such as Pauls Valley, Wynnewood and Ardmore, effective April 26, 1923, of 25 per cent east of the Missouri river on traffic to or from Chicago and 20 per cent to or from the Mississippi river. These percentages remained in effect without change until July 1, 1925. On that date they were increased by 14 per cent and the percentage divisions accruing to roads east of the Missouri river are 28.5 per cent at Chicago and 22.8 per cent at the Mississippi river.

The preceding objection was renewed (4282-4284).

Stations on the M. K. & T. Railway first appear in supplement 5 to percentage book 1, effective November 13, 1889.

The proportions east of the Missouri river on traffic to or from Vinita and Wagoner were 44 per cent at Chicago and 37 per cent at the Mississippi river; to and from Muskogee and McAlester 38 per cent at Chicago and 32 per cent at the Mississippi river; to and from Atoka and Durant 35 per cent at Chicago and 28 per cent at the Mississippi river.

[fol. 233] The percentages at Atoka were reduced December 28, 1896, to 26 per cent at Chicago and 21 per cent at the Mississippi river, and on February 1, 1899, to 25 per cent and 20 per cent, respectively. To Durant the percentages were reduced to 25 per cent on Chicago traffic and 20 per cent on Mississippi river traffic, effective December 28, 1896. The occasion for this change is explained in the following quoted from the proceedings of the special meeting of the Rate Committee of the Western Freight Association held in Chicago, December 1, 2, 3, 4, 8 and 9, 1896:

"Subject No. 28. Change in percentages desired at points on the M. K. & T. in Indiana Territory.

"The M. K. & T. Railway stated that on account of advance made in Tariff No. 150, on shipments from Frink to Denison, inclusive, whereby the rates to local Indian Territory stations were advanced to the Texas common point rates, they desired that consideration be given the matter of according the company the following percentages on merchandise:

"From stations Frink to Coalgate, inclusive, from the Mississippi river, east 21 per cent, west 79 per cent. From stations Smallwood to Colbert, inclusive, from the Mississippi river, east 20 per cent, west 80 per cent; from Chicago, east 25 per cent, west 75 per cent. It was urged that the figures named were practically the same as those carried by the G. C. & S. F. Railway to opposite stations where the Texas common point rates are applied, and, inasmuch as the latter basis was carried to most of the territory, it was felt that the divisions should also be made on the Texas basis."

The percentages published effective November 13, 1889, to Vinita have never been changed, but on February 1, 1889, percentages at Wagoner were reduced to 36 per cent on Chicago traffic and 31 per cent on Mississippi river traffic;

at Muskogee to 34 per cent and 29 per cent, respectively, [fol. 234] and at McAlester to 25 per cent and 20 per cent, respectively.

As other stations were added on the M. K. & T. in Oklahoma the same percentages were established as already in effect on other lines in the same territory.

The first stations on the St. L.-S. F. Railway in Oklahoma at which percentages were published by Chairman Midgley were Vinita, Tulsa and Sapulpa, effective March 9, 1891, the proportions east of the Missouri river being 41 per cent at Chicago and 37 per cent at the Mississippi river. These percentages have continued in effect without change.

Other stations were added at later dates on the same basis as already in effect via other lines.

Except in the southern half of Oklahoma where the old Texas common point percentages were used, we have no definite record as to the basis on which these percentages were constructed.

Following the establishment of percentages for dividing joint rates to and from Oklahoma points, there have apparently been two general changes, both of which resulted in reducing the proportions east of the Missouri river and increasing the proportions west and south thereof.

In June of 1893 reductions were made in the east of the Missouri river proportions to and from most points in central and northern Oklahoma, a typical illustration being a reduction in the Oklahoma City percentages from 41 to 32 per cent on Chicago traffic and 35 to 27 per cent on Mississippi river traffic. The next general change occurred during 1899, when the percentages at points south of Oklahoma City not already on the Texas common point basis were reduced to 25 per cent at Chicago and 20 per cent at the Mississippi river. Since that time there has been no change of importance, additional points being added from time to time on the basis already in effect on other lines in the same localities (4285-4287).

[fol. 235] In saying that there has been no change of importance, I failed to mention the 14 per cent increase on July 1. My statement may be considered as of June 30, 1925, and as of the present date as to the roads not involved in the July 1st change.

The percentage of 25 per cent at Chicago from Oklahoma was not changed when they were increased to 30 per cent from Texas. I do not know why those Oklahoma percentages of 25 per cent were not increased when the Texas percentages were increased. All I know is that they were not changed.

Cross-examination.

By Mr. Outlaw:

Pages 2, 3 and 4 of exhibit A-38 show for particular states an item of revenue per ton mile in mills. The revenue per ton mile in mills is derived by dividing the freight revenue by the tons carried one mile. Where a system of lines extends beyond the boundaries of one state, the calculation was not made for the system as a whole. Mr. Wettling, the manager of the statistical bureau of the western lines, obtained from the accounting departments of each of the roads the freight revenue allotted by them within the confines of each state. I know that it is a fact that those roads getting those figures themselves use what might be called a mileage pro rate where the revenue moves through or between more than one state. Answering the question as to whether those figures would not, therefore, represent the revenues that would accrue to the lines on actual divisions and consequently would not reflect properly the revenue level in that state, I would say that, of course, any general computation of this kind is subject, perhaps, to some such criticism, but I doubt whether that would seriously affect those figures. I do not, of course, know exactly how the larger systems that have mileages in many states would [fol. 236] apportion in each state the revenue on the shipments that might move from Chicago to the Pacific coast, for instance. I have heard that systems like the Santa Fe, the Burlington and North Western and such systems, that operate in 12 or 14 states, apportion revenue to each state on the basis of what is a mileage pro rate. I do not know as to those facts. If that were true, then the figures shown for Illinois would probably not affect the revenue level in Illinois; but when you come to compare these results with the earnings of the roads which are located exclusively on one side or the other of the gateway, they seem to reflect

about the normal differences that happen, so it seems to me the figures, while subject to the infirmity you point out, have a good deal of value for comparative purposes.

I do not know whether the Santa Fe reports these figures to Mr. Wettling as I have produced them; I assume they did; but I do know our figures are on a mileage pro rate and we report them to Mr. Wettling by states.

By Mr. Outlaw: Yes, but they don't represent actual divisions or actual rate levels in the particular territory.

Answering the question as to whether in using the state of Illinois in our western trunk line group we excluded from the lines of railroad that we used those lines probably of heavy traffic density such as the eastern lines which would not handle this traffic, I would say that as a matter of fact those roads do not report to Mr. Wettling, so we have not the figures. They are not included in the statement; the list of roads included are shown on page 6 of my exhibit.

There is a somewhat similar case in Kansas, in that there are a number of lines in Kansas that probably do not handle this traffic or handle it to an extremely limited extent. I refer particularly to the two lines which we have included in Kansas, the Chicago, Burlington and Quincy and the [fol. 237] Union Pacific systems. By reason of their geographical locations, I think it is a fact that they could handle in the state of Kansas practically no traffic from the southwest to or form western trunk line territory. So to the extent they are ilnes of very heavy traffic density, they might properly be excluded from our compilation of Kansas, and that would slightly reduce the Kansas figures as to traffic density; I do not know where it would place the earnings.

Answering the question whether in the same way that we made a separate group of western trunk lines, excluding Illinois, we could make a separate group including Kansas on the ground that there is a great deal of this traffic between the western trunk line territory and the southwestern territory that does not pass through the state of Kansas at all, I would say that the state of Kansas runs pretty close to the average for the group. The principal difference is in the rate per ton mile, Kansas being 12.65 mills and the average for the group 13.8 mills. Take out Kansas and I

imagine that would go up a tenth of a point. As to the traffic density in Kansas, we have 944,000 against an average of 916,000, but Kansas is somewhat heavier than the average. Our average is not materially increased by including Kansas. Of course, each state is there individually so you can follow along step by step from state to state.

Answering the question as to whether there is as much justification for excluding Kansas from one of these computations as there is for excluding Illinois, I would say that I am willing to do it.

Answering the question as to whether all of the figures on exhibit A-38 for the Chicago and North Western, C. B. & Q. and C. St. P. M. & O. for the year 1924 includes system [fol. 238] operations, and for every period before they include only the lines east of the Missouri river, and that, therefore, a definite comparison cannot be made between those two sets of figures, I would say that the 1910 and 1924 figures are system figures, prior to that they are not.

Now, as to the comparison, of course following a comparison of the changes on the same road, I am doubtful, because, for one thing, in the earlier days the roads did not have the same mileage, did not cover the same extent of territory. The purpose of the comparison is more to try to show, so far as we can, about what the conditions were in the one territory as compared with the other, so that where I could I took roads or parts of roads located wholly within each territory and where that could not be done, as in the latter case, I have taken the system as a whole. It is not so much the following of the changes on one particular road from year to year as it is to try to contrast, as best we may, the changing conditions (4294).

Answering the question as to whether we compare the two territories when we show for a part of the time the North Western system, and for a part of the time the North Western east of the Missouri river only, we have the same thing on the other. For instance, you have got the Wabash in the earlier years in Illinois and west. You have got the Santa Fe and Rock Island west. I don't think it would show enough difference to make a material change. It is not possible to get the subdivisions for the years after 1908. It is possible to get them for the earlier years. The separations are not available now.

Taking exhibit A-37, page 1, in our density of population per square mile for the two areas we reach a final figure in 1920 of 56.1 for the western trunk line group and 23.5 for the southwestern group. That would roughly indicate that the density of population in the western trunk line territory was roughly twice that in the southwestern at the present time. I used to think that the amount of traffic in a terri- [fol. 239] tory is roughly represented by the density of population of that territory as a general rule, but when we come to look over some of these western states, either way you answer that question you can prove the answer is wrong; but generally traffic reflects the activity of the people. I would not say that the traffic was proportionate to the density of population, it is more proportional to the density of population that is active in producing traffic. You have peculiar conditions, of course, where there may be a large traffic flowing through an *error* of somewhat limited population as contrasted with a more densely populated but less active industrial region on the other side. But the general rule would be that the greater number of people, the greater amount of traffic there would be in that territory; of course, the traffic that was there would be shown by what the railroads are actually carrying, not by the people who reside in the place.

Cross-examination.

By Mr. Larimore:

I testified that the percentages of the trunk line carriers were increased to Texas but not to Oklahoma. The service rendered by the trunk line carriers is identically the same whether traffic moves to Oklahoma or to Texas.

Cross-examination.

By Mr. Muckley:

I have not made any figures showing the increase in value of manufactured products for the respective states. I think those figures are available. I would rather not attempt to answer whether the increase in value of those commodities in the western trunk line states greatly exceed the increase in value of the manufactured products

in the southwestern states because I cannot answer with enough confidence as to the exact figure. I know the value of the manufactures in the western trunk line states is very [fol. 240] large. It is quite true that there is a considerable volume of manufactured products moving from western trunk line territory to the southwest. There is a very small volume of manufactured products moving from the southwest to western trunk line territory, comparatively speaking.

Cross-examination.

By Mr. Larimore:

My impression is that the movement of dairy products is almost wholly from the west and southwest to the east and not in the reverse direction. Butter originates more in Minnesota and the west and the poultry products, eggs, chickens, and things of that kind, I think Missouri is the primary state for that.

Cross-examination.

By Examiner Disque:

Answering the question as to whether, if the traffic density in one territory was one-half of that in the other territory, a mile in one territory would equal a mile and a quarter in another territory or a mile and a half, and to what extent the difference in traffic density should be reflected in making the divisions, I would say that the traffic density is only one of the factors that would have to be considered in reaching a conclusion. You could not make divisions, it seems to me, that would be fair to either set of lines purely in proportion to the density of traffic. You would have to take into account the relative service that they performed and the relative cost of performing that service (4298). If the costs were equal, then the only additional consideration the line with less traffic would be entitled to would be the need for its overhead expense. It would be entitled to nothing on its operating expenses. The traffic density af- [fol. 241] fects both, but not in proportion of the ratio of density in one territory as contrasted with another. I pre-

fer to reserve an answer to the question of whether, for instance, in considering the territory south of Kansas City we should consider a mile of transportation equal to three-fourths of a mile north of Kansas City or a half a mile north of Kansas City or whether a mile north of Kansas City would be equal to a mile and a half south of Kansas City or a mile and a quarter south of Kansas City.

Cross-examination.

By Mr. Muckley:

The rate levels in the respective territories would be another factor that should be considered. The rate level south of Kansas City is generally higher than it is north of Kansas City. How much, I do not know, but exhibit A-39 has some bearing in that matter. I would use both class rates and commodity rates in making comparison of the rate levels in the two territories. Answering the question as to which is the more representative of the normal level of rates, the class rates or commodity rates, I would say that they vary in every territory. Our class rates in the territory north of Kansas City would be used to a fair extent. We have a great many commodity rates. I have been led to understand and it seems confirmed by the many reports of the Commission that the class rates south of Kansas City are little used, so that there is a considerable amount of traffic on which we actually charge our class rates, but which is subject to commodity rates south. I doubt if any purely rate comparison would definitely answer the question that you ask, and I have not gone far enough to reach any conclusion in my own mind as to where the rate levels would finally stand. I have compiled the figures put in in exhibit A-39 as perhaps the best we [fol. 242] could get of that kind (4300). I have made several comparisons between western trunk lines and southwestern lines as shown on exhibit A-38 showing the number of roads that earn so much per mile in various periods between western trunk lines and southwestern lines. Answering your question as to the value of those comparisons in view of the fact that we have considerably more lines in the southwest than in western trunk line territory, I would say that the number of lines is necessarily determined by

the number of lines there are in the eastern territory and not by any choice of mine.

There are quite a number of lines shown on this exhibit that are a part of the Southern Pacific Lines in Texas and are usually considered as one system. We show them all separately because their reports are all made to the Commission. We also show, for example, all of the Texas lines separately from the parent companies operating in the balance of the southwest. I have taken them just as they report their earnings and expense to the Commission. That, of course, increases the number of corporate lines in the southwest. The Kansas, Oklahoma & Gulf of Texas has 9.1 miles in Texas. The T. & F. S. operates 81.08 miles of railroad in Texas.

Cross-examination.

By Mr. Swenson:

On page 3 of my exhibit showing the production of cottonseed in Texas and other states, I left out the 1924 figures because I could not get them. I understood that generally Texas had suffered from drought, and that the agricultural production in many lines was limited, but what the exact conditions were, I am not able to state. I would say that the 1924 figures represent the average condition in Texas. I do not know what they were last year. What I spoke of were the conditions that we hear of in this year.

[fol. 243] Redirect examination.

By Mr. Towner:

A higher rate level in one territory than in another territory is ordinarily justified by higher cost of operation and smaller density of traffic (which generally increases cost of operation); and ordinarily, if the higher cost of operation does not exist, there is no justification for the higher rate level.

Examination.

By Examiner Disque:

Those things are all affected by competition.

Recross-examination.

By Mr. Muckley:

In my exhibit comparing traffic densities, I included Kansas in the southwestern lines. I stated the reason for so doing, in exhibit A-39, was because the traffic from western trunk lines moved through Kansas. A part of the traffic handled through Kansas City via a number of the routes would pass through the state of Kansas. The Atchison, Topeka & Santa Fe, the Chicago, Rock Island & Pacific, and the Kansas City Southern, for a short distance, would handle that traffic. I think it is true that the Kansas City Southern has only about ten miles in Kansas. They are mostly in Missouri (4307). The Missouri Pacific, I think, via some routes would handle it through the state of Kansas. I am not certain as to what their usually used route is, whether it is down through Kansas or on the Missouri side. All of those lines are in the eastern part of Kansas with a relatively short mileage. Yet we have included the entire state of Kansas, and given to Kansas density as much weight in the average as we have that of any other state (4308). Of course, each state is shown individually, so that its relative importance, and the extent to which it might have affected the average, is very readily seen (4308).

[fol. 244] The hearing adjourned from October 15, 1925, to November 16, 1925; but immediately prior to the adjournment, Mr. Towner stated that Mr. Behrle was to furnish a list of supplements to the division sheets which had been offered in evidence. It was agreed that this list should take the exhibit number of some previous exhibit, and that a copy thereof would be mailed promptly to counsel for the respondents.

[fol. 245] Mr. Towner: Now, there was one other thing that I wanted to clear up, Mr. Examiner. I asked counsel yesterday to agree with me with respect to these tariffs, and they agreed with me all right, but I find on looking at the transcript that I did not cover quite as much territory as I intended to.

The agreement that we entered into yesterday was that the list which was put into the record might be put in in lieu of the tariffs themselves, with the understanding that

any completed record in the case would contain the tariffs themselves.

I would like to have that understanding broadened to include an agreement that the tariffs as itemized in the list are to be considered as a part of the record. I imagine that that is the effect of the agreement that we have made now.

I ask that for the reason, Mr. Examiner, that these southwestern divisions so frequently depend upon the measure of the rate that in individual cases it probably would be necessary to refer to the tariff to ascertain what the division was.

I do not want to burden the record with all of these tariffs, and I do not think anybody wants me to do it. But I would like to have that agreement, that we made yesterday, broadened to include an agreement among the lines parties here that the tariffs as listed in the exhibit that was put in, containing the list of tariffs, could be considered as a part of the record.

Mr. Outlaw: Such understanding is agreeable to the Santa Fe Companies, Mr. Examiner.

Mr. Towner: Is that all right?

Mr. Larimore: I see no objection.

Mr. Muckley: All right.

Mr. Towner: Well, then, that is all that I have to offer today, Mr. Examiner (Tr. 4310-4312).

[fol. 246] AGREEMENT RE EXHIBIT "A-9"

It was agreed between the parties that the tariffs listed in Exhibit No. A-9 offered on the hearing before the Commission and referred to in the transcript of evidence filed herein, contain the then applicable specific rates, the division of which was prescribed by the Commission in its orders; that said tariffs were in evidence before the Commission and the District Court as a part of the records made before said Commission and said Court; and that this statement shall be taken as a full and correct statement of what said tariffs contain.

It was further agreed that none of said tariffs listed in said Exhibit No. A-9 need be physically included in the record or exhibits certified to the Supreme Court, and

that no exception shall be taken by either party to the physical omission of said tariffs from the transcript of evidence and exhibits certified to the Supreme Court, and that no party shall claim that the transcript of the record is insufficient because of their omission therefrom.

[fol. 247] There was also a discussion as to whether points on the west bank of the Mississippi should or should not be included in western trunk lines. It was agreed that New Orleans and points opposite New Orleans should be excluded. Mr. Towner was unable to state whether the other points should or should not be excluded.

[fol. 248] (Further Hearing November 16, 17, and 18, 1925)

Exam. Disque: Come to order, please. The further hearing will be at this time resumed in Docket No. 15234. You may proceed, Mr. Towner.

Attorney Towner inquired whether or not the attorneys for the southwestern lines had come to any decision concerning his offer to arbitrate the case. Attorneys Muckley, Larimore and Davis replied that the railroads which they represented had the matter under consideration, but had arrived at no definite decision (Tr. 4322-4323).

Mr. Towner: There is one thing more, Mr. Examiner: You will recall that at the conclusion of the last hearing some question was raised with respect to the elimination of certain points. I think they were called Mississippi river prorating points, which are geographically included within the scope of the hearing, but as to which a suggestion was made that they be eliminated.

Now, I had a traffic man check out a list of those points, and I sent a copy of that list to everybody of record, and I assume they received it. I have not had any indication from anybody as to whether or not the elimination of the list of points would be satisfactory, except that I received a letter from the Texas & Pacific, Mr. Morrow, objecting to the inclusion of certain points on the Texas & Pacific.

It was agreed that the question as to the points which should be eliminated would be taken up later (Tr. 4325-4326).

CLIFTON F. BALCH was thereupon called as a witness on behalf of the Western Trunk line respondents, and testified as follows:

Direct examination:

I have testified in this case before, that is in Docket 15234. I have had prepared a traffic check of the traffic between the [fol. 249] Western Trunk line and the Southwestern territory as defined in the Commission's orders. Exhibit A-41 is a statement for the Chicago and North Western Railway of freight traffic moving under southwestern rates and divisions for the month of June, 1924. This is carload traffic, as I understand it (Tr. 4326-4327).

(Exhibit A-41 was received in evidence.)

[fol. 250] On page marked No. 1 of exhibit A-41, the first field is marked Sheet A. Sheet A is the summary of the traffic moving under southwestern rates and divisions for the month of June, 1924, handled by the Chicago and North Western Railway classified as to lumber and oil and livestock and all other carload freight, showing the traffic moving via Council Bluffs and Omaha separately from that moving via Kansas City, and that separately moving via St. Louis, Thebes and other southern junctions.

The figures shown in the lower field of page 1 show the groupings in the first instance for lumber eastbound, to points in Iowa; then it shows the number of cars, the weight, the revenue, the divisions as made in the accounts, the way it was settled, and the ratio of the revenue to the lines east of the junction or west of the junction, and in the next line the revenue per car mile in cents, and below that the revenue per ton mile; below that the average distance hauled; below that the ratio of the mileage north and south of the junction, and the division on a mileage basis; the revenue per car mile on the mileage basis and the revenue per ton mile on the mileage basis.

Now, the details of those eleven cars will be found on sheet marked No. 2 of this exhibit, and the little index in the lower part of the lower field gives the reference to the details showing each car separately, and in the case of these eleven cars I am turning to page No. 2.

You will see there is one car from Warren and Quachita Valley Railroad of lumber originating at Warren and Cloquet, Arkansas, going to Stanhope, Iowa. This car was 37,900 pounds in weight and the revenue was $112.67; the distance 853 miles; the revenue per car mile, 13.21 cents; the tons one mile, 16,165; the revenue per ton mile, 7 mills. The revenue on a mileage basis to the lines north of the junction would have been $129.09.

[fol. 251] Now, the revenue as divided gave the lines north $40.83 for 161 car miles. The revenue per car mile is 25.36 cents; the tons one mile, 3,050; the revenue per ton mile, 13.4 mills, and the revenue on a mileage basis would be $24.41 (Tr. 4328-4329).

In other words, I have given the data with respect to each individual shipment both north and south of the junction. All the way through the exhibit, you will find the detail in that same form. In some instances the revenue on a mileage basis is less than as divided; in other instances, you will find the revenue on a mileage basis is more than as divided. The exhibit shows a great variety of results. The entire details supporting the information shown on the front page, that is sheet A, is found in the exhibit which consists altogether of 28 pages. By saying there is a great variety of results, I mean there is no uniformity in the results obtained as measured by the ton mile earnings or the car mile earnings. These are the facts as they appear in the records, the results obtained by taking an exact mileage prorate. A mileage prorate would not in every instance increase the divisions north of Kansas City (Tr. 4329-4330).

Referring to the first sheet, the figures in the upper field, marked A, shows that via Council Bluffs, the mileage basis is less than the present divisions on lumber, oil is just a little less, and other freight is considerably more. Then via Kansas City the mileage basis is less than the present basis, the oil is less, the livestock is more, and other freight is considerably more. Via St. Louis, the lumber mileage prorate is considerably more, the oil is more, and the other freight is more. The total shows that all of this mileage prorate basis would give the lines north of Council Bluffs $15,351.77 more than the present existing basis of divisions (Tr. 4330-4331).

[fol. 252] I have made up similar statements for other Western Trunk lines. They are made up in the same form. I should call attention to the fact that the information is grouped, as is done in the lower part of field 1, by traffic going to Chicago and Illinois, excluding Chicago points in Illinois outside of Chicago, and points in Wisconsin and points in Iowa. This is for convenience in analyzing the statement. This statement as well as the other statements which I will offer cover all carload freight moving in the month of June, 1924, under these rates and divisions (Tr. 4331).

Exhibit A-41 includes both northbound and southbound traffic. The lower field on page 1 refers to northbound traffic because the lumber and oil is all northbound. I believe livestock is all northbound. On page No. 3 of exhibit A-41 is a statement of all carload freight traffic except lumber, oils and livestock moving both northbound and southbound. The exhibit covers all carload traffic moving during the month, irrespective of direction (Tr. 4332-4333).

Exhibit A-42 is a similar statement for the Chicago, St. Paul, Minneapolis & Omaha Railway (Tr. 4333).

(Exhibit A-42 was received in evidence.)

The next exhibit, A-42, is a similar statement for the Illinois Central Railway (Tr. 4333).

(Exhibit A-43 was received in evidence.)

Exhibit A-44 is a statement for the Chicago & Alton (Tr. 4333-4334).

(Exhibit A-44 was received in evidence.)

Exhibit A-45 is a statement for the Chicago, Milwaukee & St. Paul Railway (Tr. 4334).

(Exhibit A-45 was received in evidence.)

Exhibit A-46 is a statement for the Wabash (Tr. 4334).

(Exhibit A-46 was received in evidence.)

[fol. 253] Exhibit A-47 is a similar statement for the Chicago Great Western (Tr. 4335).

(Exhibit A-47 was received in evidence.)

Exhibit A-48 is a statement of similar character for the Minneapolis & St. Louis Railway Company (Tr. 4335).

(Exhibit A-48 was received in evidence.)

Exhibit A-49 is a similar one for the Chicago and Eastern Illinois (Tr. 4335).

[fol. 254] What I said in explanation of the North Western statement, exhibit A-41, is true of all of the statements. They were gotten up under the same instructions and upon the same forms. Of course, we had to depend upon the several auditors of the different companies for the detail, but so far as possible they are all in the same form and reflect the same information (Tr. 4336).

I have prepared an exhibit consisting of 7 pages which shows, for the lines interested in this particular controversy, on page No. 1, the density of traffic, the tons one mile per mile of road in all of the different states traversed by these carriers for the year 1923. On page No. 2, I have shown the same information, the traffic density of all the lines interested in the different states traversed by them for the year 1924. This exhibit was thereupon offered in evidence as exhibit A-50 (Tr. 4336).

Exhibit A-50 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-50, side folios 255, 256, 257, 258, 259, 260, and 261)

[fol. 255]

EXHIBIT No. A-50
Witness: C. F. Balch
Page 1 of 7 Pages
I. C. C. Docket 15234

Statement Showing "Tons One Mile per Mile of Line," Segregated by States, Ye

Name of line	Michigan, upper peninsula	Wisconsin	Minnesota	Illinois	Missouri	Iowa	Ka
Chicago & Alton	.....	.....	.....	2,472,571	1,896,601	.....	....
Chicago & Eastern Illinois	.....	.....	.....	2,726,398	.....	.....	....
Chicago & North Western	945,904	1,164,395	554,771	2,644,996	.....	1,411,827	....
Chicago, Burlington & Quincy	.....	4,135,074	2,285,753	2,792,152	1,543,711	768,664	12
Chicago Great Western	.....	.....	664,494	2,888,389	1,429,661	1,292,999	1,41
Chicago, Milwaukee & St. Paul	1,174,615	1,166,882	1,124,762	2,531,377	1,990,291	1,089,124	....
Chicago, St. Paul, Mpls. & Omaha	.....	1,206,825	959,356	.....	.....	829,255	....
Illinois Central	.....	122,834	629,788	3,840,257	.....	1,425,113	....
Minneapolis & St. Louis	.....	.....	972,126	1,949,480	.....	757,305	....
Mpls., St. Paul & Sault Ste. Marie	652,511	1,102,076	885,304	2,712,975	.....	.....	....
Quincy, Omaha & Kansas City	.....	.....	.....	55,248	219,721	.....	....
Wabash	.....	.....	.....	2,014,024	1,456,368	646,263	....
Atchison, Topeka & Santa Fe System	.....	.....	.....	3,193,213	2,935,459	4,352,720	94
Chicago, Rock Island & Pacific Lines(b)	.....	.....	616,815	3,383,101	1,179,895	730,618	1,29
Fort Worth & Denver City	.....	.....	.....	.....	.....	.....	....
Gulf Coast Lines(c)	.....	.....	.....	.....	.....	.....	....
Galveston, Harrisburg & San Antonio	.....	.....	.....	.....	.....	.....	....
Gulf, Colorado & Santa Fe	.....	.....	.....	.....	.....	.....	....
Houston & Texas Central	.....	.....	.....	.....	.....	.....	....
Houston East & West Texas	.....	.....	.....	.....	.....	.....	....
International & Great Northern	.....	.....	.....	.....	.....	.....	....
Kansas City, Mex. & Orient System(d)	.....	.....	.....	.....	.....	.....	5
Kansas City Southern	.....	.....	.....	.....	2,463,752	.....	2,2
Kansas, Oklahoma & Gulf(e)	.....	.....	.....	.....	.....	.....	1
Louisiana Ry. & Nav. Co	.....	.....	.....	.....	.....	.....	....
Louisiana Ry. & Nav. Co. of Texas	.....	.....	.....	.....	.....	.....	....
Missouri, Kansas & Texas Lines(f)	.....	.....	.....	.....	1,270,822	.....	1,1
Missouri Pacific	.....	.....	.....	3,048,990	1,055,726	.....	7
Panhandle & Santa Fe	.....	.....	.....	.....	.....	.....	....
St. Louis-San Francisco Lines(g)	.....	.....	.....	.....	947,225	.....	1,0
[illegible] Southwestern				[illegible]	[illegible]		

EXHIBIT No. A-50

Witness: C. F. Balch

I. C. C. Docket 15234

ment Showing "Tons One Mile per Mile of Line," Segregated by States, Year 1923

Michigan, upper Peninsula	Wisconsin	Minnesota	Illinois	Missouri	Iowa	Kansas	Oklahoma	Arkansas	Louisiana	Texas
.....	.....	.....	2,472,571	1,896,601	.....	.....	.....	.....	.....	.....
.....	.....	.....	2,726,398	.....	.....	.....	.....	.....	.....	.....
945,904	1,164,395	554,771	2,644,996	.....	1,411,827	.....	.....	.....	.....	.....
.....	4,135,074	2,285,753	2,792,152	1,543,711	768,664	121,224	.....	.....	.....	.....
.....	.....	664,494	2,888,389	1,429,661	1,292,999	1,417,528	.....	.....	.....	.....
1,174,615	1,166,882	1,124,762	2,531,377	1,990,291	1,089,124	.....	.....	.....	.....	.....
.....	1,206,825	959,356	.....	.....	829,255	.....	.....	.....	.....	.....
.....	122,834	629,788	3,840,257	.....	1,425,113	.....	.....	.....	.....	.....
.....	.....	972,126	1,949,480	.....	757,305	.....	.....	.....	.....	.....
652,511	1,102,076	885,304	2,712,975	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	55,248	219,721	.....	.....	.....	.....	.....	.....
.....	.....	.....	2,014,024	1,456,368	646,283	.....	.....	.....	.....	.....
.....	.....	.....	3,193,213	2,935,459	4,352,720	948,092	904,579	.....	463,504	640,900
.....	.....	616,815	3,383,101	1,179,895	730,618	1,293,055	647,404	958,041	588,579	637,312
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,027,813
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,031,314	606,047
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,225,646
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	917,505
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	695,648
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	703,887
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	584,567
.....	.....	.....	.....	.....	.....	522,952	519,501	.....	.....	220,524
.....	.....	.....	.....	2,463,752	.....	2,220,236	2,028,331	2,083,843	1,553,323	.....
.....	.....	.....	.....	.....	.....	165,861	527,768	.....	.....	399,765
.....	.....	.....	.....	.....	.....	.....	.....	.....	641,949	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	263,603	292,826
.....	.....	.....	.....	1,270,822	.....	1,150,150	808,995	.....	390,529	588,635
.....	.....	.....	3,048,990	1,055,726	.....	711,327	2,137,026	1,221,525	608,599	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	714,368
.....	.....	.....	.....	947,225	.....	1,093,327	750,088	640,110	.....	288,714
.....	.....	.....	1,733,836	1,133,387	.....	.....	.....	1,363,725	578,702	.....

Louisiana Ry. & Nav. Co. of Texas							
Missouri, Kansas & Texas Lines(f)					1,270,822		1,150
Missouri Pacific				3,048,990	1,055,726		711
Panhandle & Santa Fe							
St. Louis-San Francisco Lines(g)					947,225		1,093
St. Louis Southwestern				1,733,836	1,133,387		
St. Louis Southwestern of Texas							
San Antonio & Aransas Pass							
Southern Pacific-Louisiana Lines (a)							
Vicksburg, Shreveport & Pacific							
Texarkana & Fort Smith							
Texas & Pacific							
Total all Class I Roads	829,521	1,236,041	1,401,089	2,785,371	1,291,959	1,018,161	858

(a) Includes M. L. & T. and La. Western. (b) Includes C. R. I. & G. (c) Includes Beau., Sour Lak
& Mex. and New Orleans. (d) Includes Kans. City, Mex. & Or. of Tex. (e) Includes K. O. & G. of
of Tex. (g) Includes St. L.-S. F. of Tex. /Tex. & Mex.

.....	.....	.....	.....	.....	.....	.....	.....	.....	263,603	292,826
.....	.....	.....	.....	1,270,822	.....	1,150,150	808,995	.....	390,529	588,635
.....	.....	.....	3,048,990	1,055,726	.....	711,327	2,137,026	1,221,525	608,599	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	714,368
.....	.....	.....	.....	947,225	.....	1,093,327	750,088	640,110	.....	288,714
.....	.....	.....	1,733,836	1,133,387	.....	.....	.....	1,363,725	578,702	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	480,258
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	294,520
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,229,551	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	898,219	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,791,956
.....	.....	.....	.....	.....	.....	.....	.....	84,650	586,253	842,553
829,521	1,236,041	1,401,089	2,785,371	1,291,959	1,018,161	858,773	787,220	1,046,264	816,922	693,040

T. and La. Western. (b) Includes C. R. I. & G. (c) Includes Beau., Sour Lake & Western, St. L., Brownsv.
s. (d) Includes Kans. City, Mex. & Or. of Tex. (e) Includes K. O. & G. of Tex. (f) Includes M. K. & T.
L.–S. F. of Tex. /Tex. & Mex.

Statement Showing "Tons One Mile per Mile of Line," Segregated by States, Y

Name of line	Michigan, upper peninsula	Wisconsin	Minnesota	Illinois	Missouri	Iowa	
Chicago & Alton	.....	.....	.....	2,161,493	1,846,565	.....	.
Chicago & Eastern Illinois	.....	.....	.....	2,559,381	.....	.....	.
Chicago & North Western	774,338	1,022,850	539,320	2,351,002	.....	1,237,637	.
Chicago, Burlington & Quincy	.....	2,989,154	1,629,291	2,638,089	1,574,455	758,487	
Chicago Great Western	.....	.....	675,556	2,691,498	1,478,831	1,291,653	1,
Chicago, Milwaukee & St. Paul	1,024,358	1,042,436	1,089,024	2,304,422	2,092,790	1,055,953	.
Chicago, St. Paul, Mpls. & Omaha	.....	1,184,730	1,027,395	.....	.....	841,062	.
Illinois Central	.....	128,830	466,501	3,213,441	.....	1,302,447	.
Minneapolis & St. Louis	.....	.....	928,818	1,702,128	.....	721,756	.
Minneapolis, St. Paul & Sault Ste. Marie	592,596	1,055,223	893,278	2,344,673	.....	.....	.
Quincy, Omaha & Kansas City	.....	.....	.....	51,498	160,537	.....	.
Wabash	.....	.....	.....	2,231,026	1,492,653	652,316	.
Atchison, Topeka & Santa Fe (System) (a)	.....	.....	.....	3,044,053	2,721,898	4,102,937	
Chicago, Rock Island & Pacific (b)	.....	.....	696,626	3,319,582	1,240,884	744,176	1,
Fort Worth & Denver City	.....	.....	.....	.....	.....	.....	.
Gulf Coast Lines (c)	.....	.....	.....	.....	.....	.....	.
International & Great Northern	.....	.....	.....	.....	.....	.....	.
Kansas City, Mexico & Orient (System) (d)	.....	.....	.....	.....	.....	.....	
Kansas City Southern	.....	.....	.....	.....	2,205,049	.....	1,
Kansas, Oklahoma & Gulf (e)	.....	.....	.....	.....	.....	.....	
Louisiana Ry. & Navigation Co	.....	.....	.....	.....	.....	.....	.
Louisiana Ry. & Navigation Co. of Texas	.....	.....	.....	.....	.....	.....	.
Missouri, Kansas & Texas (f)	.....	.....	.....	.....	1,283,943	.....	1,
Missouri Pacific	.....	.....	.....	3,487,938	1,227,160	.....	
St. Louis-San Francisco (Lines)(g)	.....	.....	.....	.....	965,255	.....	1,
St. Louis Southwestern	.....	.....	.....	1,387,873	928,653	.....	.
St. Louis Southwestern of Texas	.....	.....	.....	.....	.....	.....	.
San Antonio & Aransas Pass	.....	.....	.....	.....	.....	.....	.
Southern Pacific-Texas Lines (h)	.....	.....	.....	.....	.....	.....	.
Southern Pacific-Louisiana Lines (i)	.....	.....	.....	.....	.....	.....	.
Texarkana & Ft. Smith	.....	.....	.....	.....	.....	.....	.
Texas & Pacific	.....	.....	.....	.....	.....	.....	.
Vicksburg, Shreveport & Pacific	.....	.....	.....	.....	.....	.....	

t Showing "Tons One Mile per Mile of Line," Segregated by States, Year 1924

chigan, pper insula	Wisconsin	Minnesota	Illinois	Missouri	Iowa	Kansas	Oklahoma	Arkansas	Louisiana	Texas
.....	.....	.....	2,161,493	1,846,565	.....	.....	.....	.....	.....	.....
.....	.....	.....	2,559,381	.....	.....	.....	.....	.....	.....	.....
74,338	1,022,850	539,320	2,351,002	.....	1,237,637	.....	.....	.....	.....	.....
.....	2,989,154	1,629,291	2,638,089	1,574,455	758,487	149,614	.....	.....	.....	.....
.....	.....	675,556	2,691,498	1,478,831	1,291,653	1,468,709	.....	.....	.....	.....
24,358	1,042,436	1,089,024	2,304,422	2,092,790	1,055,953	.....	.....	.....	.....	.....
.....	1,184,730	1,027,395	.....	.....	841,062	.....	.....	.....	.....	.....
.....	128,830	466,501	3,213,441	.....	1,302,447	.....	.....	.....	.....	.....
.....	.....	928,818	1,702,128	.....	721,756	.....	.....	.....	.....	.....
92,596	1,055,223	893,278	2,344,673	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	51,498	160,537	.....	.....	.....	.....	.....	.....
.....	.....	.....	2,231,026	1,492,653	652,316	.....	.....	.....	.....	.....
.....	.....	.....	3,044,053	2,721,898	4,102,937	975,224	967,470	.....	420,258	1,082,456
.....	.....	696,626	3,319,582	1,240,884	744,176	1,468,118	745,313	849,270	584,688	756,232
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,236,029
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,289,512	815,160
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	622,651
.....	.....	.....	.....	.....	.....	773,219	770,381	.....	.....	292,642
.....	.....	.....	.....	2,205,049	.....	1,552,012	1,794,276	1,868,517	1,493,373	.....
.....	.....	.....	.....	.....	.....	164,400	448,525	.....	.....	482,542
.....	.....	.....	.....	.....	.....	.....	.....	.....	802,505	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	385,289	403,265
.....	.....	.....	.....	1,283,943	.....	1,159,043	918,113	.....	.....	810,900
.....	.....	.....	3,487,938	1,227,160	.....	831,993	2,533,985	1,347,337	1,013,517	.....
.....	.....	.....	.....	965,255	.....	1,178,595	856,480	642,227	.....	327,869
.....	.....	.....	1,387,873	928,653	.....	.....	.....	1,117,254	431,440	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	440,439
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	380,447
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,043,706
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,124,969	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,754,088
.....	.....	.....	.....	.....	.....	.....	.....	139,287	596,141	1,007,189
.....	.....	.....	.....	.....	.....	.....	.....	.....	1,024,133	.....

Southern Pacific-Louisiana Lines (i)							
Texarkana & Ft. Smith							
Texas & Pacific							
Vicksburg, Shreveport & Pacific							
Total all Class I Roads	703,893	1,107,780	1,281,300	2,540,883	1,324,435	972,721	9

(a) Includes A. T. & S. F., G. C. & S. F., Panhandle & S. Fe. (b) Includes C. R. I. & G. (c) West., St. L. B. & M., N. O. T. & M. (d) Includes K. O. M. & O. of Texas. (e) Includes K. O. & & T. of Texas. (g) Includes St. L.–S. F. of Texas. (h) Includes G. H. & S. A., H. E. & W. T., H. M. L. & T., La. West.

....	.....	.....	.....	.....	.....	.....	.....	.....	1,127,000	.....
....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,754,088
....	.....	.....	.....	.....	.....	.....	.....	139,287	596,141	1,007,189
....	.....	.....	.....	.....	.....	.....	.....	.....	1,024,133	.....
,893	1,107,780	1,281,300	2,540,883	1,324,435	972,721	944 308	877,045	1,043,253	913,058	812,081

F., G. C. & S. F., Panhandle & S. Fe. (b) Includes C. R. I. & G. (c) Includes Beaumont, Sour Lake & O. T. & M. (d) Includes K. O. M. & O. of Texas. (e) Includes K. O. & G. of Texas. (f) Includes M. K. es St. L.–S. F. of Texas. (h) Includes G. H. & S. A., H. E. & W. T., H. & T. C., T. & N. O. (i) Includes

I. C. C. Docket No. 15234

Statement of Property Investment and Net Income
Year Ended December 31, 1923

Railroad or system	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Investment in road and equipment	Ratio, %	Inv rd. & mat supp
Atchison, Topeka & Santa Fe	8,857.21	$35,509,009	$4,009.05	$728,350,197	4.88	$573,
Beaumont, Sour Lake & Western	118.75	263,608	2,219.86	3,326,076	7.93	3,
Chicago & Alton	1,050.51	1,532,188	1,458.52	144,812,587	1.06	146,
Chicago & Northwestern	8,403.82	17,036,305	2,027.21	455,737,729	3.74	466,
Chicago, Burlington & Quincy	9,393.69	25,152,174	2,677.56	545,883,985	4.61	562,
Chicago Great Western	1,496.06	265,187	177.26	166,992,432	.16	168,
Chicago, Milwaukee & St. Paul	11,029.86	13,284,245	1,204.39	697,674,890	1.90	711,
Chicago, Rock Island & Pacific	7,655.00	13,934,469	1,820.31	375,364,494	3.71	385,
Chicago, Rock Island & Gulf	461.23	722,101	1,565.60	18,832,154	3.83	19,
Chicago, St. Paul, Mpls. & Omaha	1,749.19	3,812,671	2,179.68	86,839,382	4.39	88,
Chicago & Eastern Illinois	945.13	2,721,469	2,879.47	79,731,781	3.41	82,
Fort Worth & Denver City	456.31	2,438,054	5,342.98	30,383,133	8.02	31,
Galveston, Harr. & San Antonio	1,379.85	1,994,775	1,445.65	80,867,440	2.47	83,
Gulf, Colorado & Santa Fe	1,907.74	4,192,458	2,197.60	62,509,421	6.71	56,
Houston East & West Texas	191.60	141.949	740.86	5,982,526	2.37	6,
Houston & Shreveport	40.70	178,959	4,392.71	806,293	22.20	
Houston & Texas Central	923.17	2,022,081	2,190.37	45,320,076	4.46	46,
Illinois Central	4,784.52	25,121,128	5,250.50	419,562,924	5.99	432,
International & Great Northern	1,159.50	1,318,388	1,137.03	40,662,986	3.24	42,
Kansas City, Mexico & Orient	272.20	D 151,222	D 555.55	22,262,277	D	22,
Kansas City, Mex. & Orient of Texas	465.75	D 323,671	D 694.95	6,900,454	D	6,
Kansas City Southern	767.60	2,928,772	3,815.49	98,453,318	2.97	100,
Kansas, Oklahoma & Gulf (a)	314.45	526,254	1,673.57	18,185,265	2.89	18,
Louisiana Ry. & Nav. Co.	343.67	88,637	257.91	22,270,698	.40	22,
Louisiana Ry. & Nav. Co. of Tex.			Not in Operation			
Mpls., St. Paul & S. S. Marie	4,383.57	7,178,972	1,637.70	208,036,152	3.45	212
Mpls. & St. Louis	1,649.90	883,800	535.67	65,315,868	1.35	66
Missouri, Kansas & Texas (b)	1,999.57	9,114,553	4,558.26	197,485,046	4.62	201
Missouri, Kans. & Texas of Tex.	1,737.89	1,280,467	736.79	76,410.139	1.68	80
Missouri Pacific	7,261.78	8,247,035	1,135.68	388,039,609	2.13	397

I. C. C. Docket No. 15234

Statement of Property Investment and Net Income
Year Ended December 31, 1923

Road or system	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Investment in road and equipment	Ratio, %	Invest. in rd. & equip., material & suppl. incl.	Ratio, %
& Santa Fe	8,857.21	$35,509,009	$4,009.05	$728,350,197	4.88	$573,543,361	4.71
Lake & Western	118.75	263,608	2,219.86	3,326,076	7.93	3,326,076	7.93
	1,050.51	1,532,188	1,458.52	144,812,587	1.06	146,161,423	1.05
western	8,403.82	17,036,305	2,027.21	455,737,729	3.74	466,857.160	3.65
on & Quincy	9,393.69	25,152,174	2,677.56	545,883,985	4.61	562,471.264	4.47
estern	1,496.06	265,187	177.26	166,992,432	.16	168,512,018	.16
ee & St. Paul	11,029.86	13,284,245	1,204.39	697,674,890	1.90	711,005,038	1.87
and & Pacific	7,655.00	13,934,469	1,820.31	375,364,494	3.71	385,275,378	3.62
and & Gulf	461.23	722,101	1,565.60	18,832,154	3.83	19,143,045	3.77
Mpls. & Omaha	1,749.19	3,812,671	2,179.68	86,839,382	4.39	88,621.613	4.30
Illinois	945.13	2,721,469	2,879.47	79,731,781	3.41	82,025,664	3.32
ver City	456.31	2,438,054	5,342.98	30,383,133	8.02	31,409,748	7.76
& San Antonio	1,379.85	1,994,775	1,445.65	80,867,440	2.47	83,352,599	2.39
Santa Fe	1,907.74	4,192,458	2,197.60	62,509,421	6.71	56,208,858	6.43
Vest Texas	191.60	141.949	740.86	5,982,526	2.37	6,339,149	2.24
port	40.70	178,959	4,392.71	806,293	22.20	806,293	22.20
Central	923.17	2,022,081	2,190.37	45,320,076	4.46	46,089.175	4.39
	4,784.52	25,121,128	5,250.50	419,562,924	5.99	432,585,234	5.81
eat Northern	1,159.50	1,318,388	1,137.03	40,662,986	3.24	42,566,006	3.10
co & Orient	272.20	D 151,222	D 555.55	22,262,277	D	22,530,459	D
& Orient of Texas	465.75	D 323,671	D 694.95	6,900,454	D	6,987,888	D
ern	767.60	2,928,772	3,815.49	98,453,318	2.97	100,584,142	2.91
& Gulf (a)	314.45	526,254	1,673.57	18,185,265	2.89	18,358,765	2.87
av. Co.	343.67	88,637	257.91	22,270,698	.40	22,729,687	.39
av. Co. of Tex.			Not in Operation				
S. Marie	4,383.57	7,178,972	1,637.70	208,036,152	3.45	212,683,637	3.38
	1,649.90	883,800	535.67	65,315,868	1.35	66,483,530	1.33
& Texas (b)	1,999.57	9,114,553	4,558.26	197,485,046	4.62	201,711,047	4.52
Texas of Tex.	1,737.89	1,280,467	736.79	76,410.139	1.68	80,070,650	1.60
	7,261.78	8,247,035	1,135.68	388,039,609	2.13	397,507,056	2.07

Missouri, Kansas & Texas (b)	1,999.57	9,114,553	4,558.26	197,485,046	4.62	201,71
Missouri, Kans. & Texas of Tex.	1,737.89	1,280,467	736.79	76,410.139	1.68	80,07
Missouri Pacific	7,261.78	8,247,035	1,135.68	388,039,609	2.13	397,50
New Orleans, Texas & Mexico	191.22	1,344,567	7,031.52	18,211,441	7.38	18,69
Panhandle & Santa Fe	857.79	236,615	275.84	27,206,193	.87	28,25
Quincy, Omaha & Kansas City	252.72	D 168,319	D 666.03	6,403,466	D	6,40
St. Louis Southwestern	968.65	5,666,588	5,849.99	76,918,680	7.37	79,15
St. Louis Southwestern of Tex.	807.33	D 1,279.763	D 1,585.18	35,209,888	D	39,79
St. Louis–San Francisco	4,760.91	15,490,000	3,253.58	379,860,373	4.08	386,82
St. Louis–San Fran. & Texas	134.41	8,504	63.27	3,127,966	.27	3,47
St. Louis, Brownsville & Mexico	550.22	1,142,882	2,077.14	16,393,985	6.97	16,94
Southern Pacific–La. Lines (c)	608.41	867,756	1,426.27	40,690,111	2.13	42,45
San Antonio & Arkansas Pass	739.36	253,430	342.76	24,861,576	1.02	25,63
Texarkana & Ft. Smith	95.33	470,063	4,930.90	4,851,629	9.69	4,89
Texas & Pacific	1,952.74	3,629,472	1,858.66	127,767,726	2.84	132,36
Vicksburg, Shreveport & Pacific	171.44	368,823	2,151.32	9,909,708	3.72	10,28
Wabash	2,472.96	4,107,421	1,660.93	224,310,884	1.83	228,23

(a) Includes K. O. & G. of Texas.
(b) " W. F. & N. W.
(c) " M. L. & T. RR. & SS. Co.; La. Western.
D–Deficit.

sas & Texas (b)	1,999.57	9,114,553	4,558.26	197,485,046	4.62	201,711,047	4.52
s. & Texas of Tex.	1,737.89	1,280,467	736.79	76,410.139	1.68	80,070,650	1.60
ic	7,261.78	8,247,035	1,135.68	388,039,609	2.13	397,507,056	2.07
Texas & Mexico	191.22	1,344,567	7,031.52	18,211,441	7.38	18,690,219	7.19
Santa Fe	857.79	236,615	275.84	27,206,193	.87	28,254,854	.84
a & Kansas City	252.72	D 168,319	D 666.03	6,403,466	D	6,403,466	D
hwestern	968.65	5,666,588	5,849.99	76,918,680	7.37	79,153,902	7.16
hwestern of Tex.	807.33	D 1,279.763	D 1,585.18	35,209,888	D	39,797,576	D
Francisco	4,760.91	15,490,000	3,253.58	379,860,373	4.08	386,827,991	4.00
Fran. & Texas	134.41	8,504	63.27	3,127,966	.27	3,475,354	.24
wnsville & Mexico	550.22	1,142,882	2,077.14	16,393,985	6.97	16,942,056	6.75
ic–La. Lines (c)	608.41	867,756	1,426.27	40,690,111	2.13	42,453,722	2.04
Arkansas Pass	739.36	253,430	342.76	24,861,576	1.02	25,633,020	.99
Ft. Smith	95.33	470,063	4,930.90	4,851,629	9.69	4,897,729	9.60
c	1,952.74	3,629,472	1,858.66	127,767,726	2.84	132,365,796	2.74
eveport & Pacific	171.44	368,823	2,151.32	9,909,708	3.72	10,288,420	3.58
	2,472.96	4,107,421	1,660.93	224,310,884	1.83	228,236,211	1.80

udes K. O. & G. of Texas.
" W. F. & N. W.
" M. L. & T. RR. & SS. Co.; La. Western.
it.

I. C. C. Docket No. 15234

Statement of Property Investment and Net Income
Year Ended December 31, 1923

Railroad or system	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Investment in road & equipment	Ratio %	r n
Atchison, Topeka & Santa Fe	8,956.97	$40,815.194	$4,556.81	$776,486,843	5.26	$8
Beaumont, Sour Lake & Western	118.75	362,274	3,050.73	3,379,409	10.72	
Chicago & Alton	1,050.40	5,319,568	5,064.33	149,244,904	3.56	1
Chicago & North Western	8,462.53	15,843,375	1,872.18	484,818,748	3.27	4
Chicago, Burlington & Quincy	9,401.41	25,365,567	2,698.06	564,276,870	4.50	5
Chicago Great Western	1,496.06	2,118,672	1,416.17	169,932,704	1.25	1
Chicago, Milwaukee & St. Paul	11,010.74	20,167,713	1,831.64	717,219,852	2.81	7
Chicago, Rock Island & Pacific	7,635.13	14,121,464	1,849.54	389,414,128	3.63	4
Chicago, Rock Island & Gulf	461 23	719,700	1,560.39	19,115,041	3.77	
Chicago, St. Paul, Mpls. & Omaha	1,749.19	3,028,915	1,731.61	87,508,451	3.46	
Chicago & Eastern Illinois	945.13	3,324,116	3,517.10	82,288,473	4.04	
Fort Worth & Denver City	456.31	2,877,039	6,305.01	30,418,296	9.46	
Galveston, Harr. & San Antonio	1,379.85	2,281,547	1,653.47	82,346,248	2.77	
Gulf, Colorado & Santa Fe	1,908.89	3,963,151	2,076.15	63,419,914	6.25	
Houston East & West Texas	191.60	111,350	581.16	6,601,207	1.69	
Houston & Shreveport	40.74	240,784	5,910.26	824,998	29.19	
Houston & Texas Central	923.17	2,069,211	2,241.42	45,745,755	4.52	
Illinois Central	4,840.25	22,906,244	4,732.45	470,441,576	4.87	4
International & Great Northern	1,159.50	2,176,504	1,877.11	42,221,673	5.15	
Kansas City, Mexico & Orient	272.20	50,510	185.56	22,314,908	.23	
Kansas City, Mex. & Orient of Tex	465.75	D 70,610	D 151.60	6,897,545	D	
Kansas City Southern	767.60	2,682,831	3,495.09	101,894,687	2.63	1
Kansas, Oklahoma & Gulf (a)	314.42	245,275	780.09	18,535,099	1.32	
Louisiana Ry. & Nav. Co.	344.00	129,678	376.97	22,544,351	.58	
Louisiana Ry. & Nav. Co. of Texas	206.00	40,534	196.77	3,044,501	1.33	
Mpls., St. Paul & S. S. Marie	4,396.49	8,204,096	1,866.06	212,863,879	3.85	2
Mpls. & St. Louis	1,649.90	825,341	500.24	65,066,442	1.27	
Missouri, Kansas & Texas (b)	1,883.01	7,553,654	4,011.48	197,976,021	3.82	2
Missouri, Kans. & Tex. of Texas	1,476.75	1,256,035	850.54	72,424,196	1.73	
Missouri Pacific	7,235.72	8,893,245	1,229.08	399,630,349	2.23	4

I. C. C. Docket No. 15234

Statement of Property Investment and Net Income
Year Ended December 31, 1923

oad or system	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Investment in road & equipment	Ratio %	Invest. in rd. & equip. material & suppl. incl.	Ratio, %
& Santa Fe	8,956.97	$40,815.194	$4,556.81	$776,486,843	5.26	$803,037,390	5.08
ake & Western	118.75	362,274	3,050.73	3,379,409	10.72	3,379,409	10.72
	1,050.40	5,319,568	5,064.33	149,244,904	3.56	151,121,542	3.52
Western	8,462.53	15,843,375	1,872.18	484,818,748	3.27	499,666,026	3.17
n & Quincy	9,401.41	25,365,567	2,698.06	564,276,870	4.50	588,734,264	4.31
stern	1,496.06	2,118,672	1,416.17	169,932,704	1.25	171,605,179	1.23
ee & St. Paul	11,010.74	20,167,713	1,831.64	717,219,852	2.81	732,434,534	2.75
nd & Pacific	7,635.13	14,121,464	1,849.54	389,414,128	3.63	400,978,897	3.52
nd & Gulf	461 23	719,700	1,560.39	19,115,041	3.77	19,419,037	3.71
Mpls. & Omaha	1,749.19	3,028,915	1,731.61	87,508,451	3.46	89,759,324	3.37
Illinois	945.13	3,324,116	3,517.10	82,288,473	4.04	84,980,521	3.91
ver City	456.31	2,877,039	6,305.01	30,418,296	9.46	31,379,313	9.17
San Antonio	1,379.85	2,281,547	1,653.47	82,346,248	2.77	85,766,460	2.66
Santa Fe	1,908.89	3,963,151	2,076.15	63,419,914	6.25	66,739,928	5.94
est Texas	191.60	111,350	581.16	6,601,207	1.69	6,936,594	1.61
ort	40.74	240,784	5,910.26	824,998	29.19	831,091	28.97
Central	923.17	2,069,211	2,241.42	45,745,755	4.52	47,228,427	4.38
	4,840.25	22,906,244	4,732.45	470,441,576	4.87	491,654,105	4.66
eat Northern	1,159.50	2,176,504	1,877.11	42,221,673	5.15	44,581,590	4.88
co & Orient	272.20	50,510	185.56	22,314,908	.23	22,575,883	.22
& Orient of Tex	465.75	D 70,610	D 151.60	6,897,545	D	7,009,250	D
ern	767.60	2,682,831	3,495.09	101,894,687	2.63	104,180,118	2.58
& Gulf (a)	314.42	245,275	780.09	18,535,099	1.32	18,719,814	1.31
av. Co.	344.00	129,678	376.97	22,544,351	.58	23,027,531	.56
av. Co. of Texas	206.00	40,534	196.77	3,044,501	1.33	3,157,809	1.28
S. Marie	4,396.49	8,204,096	1,866.06	212,863,879	3.85	218,105,596	3.76
	1,649.90	825,341	500.24	65,066,442	1.27	66,715,557	1.24
Texas (b)	1,883.01	7,553,654	4,011.48	197,976,021	3.82	206,035,505	3.67
Tex. of Texas	1,476.75	1,256,035	850.54	72,424,196	1.73	72,424,196	1.73
	7,235.72	8,893,245	1,229.08	399,630,349	2.23	413,593,829	2.15

Missouri, Kansas & Texas (b)	1,883.01	7,553,654	4,011.48	197,976,021	3.82	206,0
Missouri, Kans. & Tex. of Texas	1,476.75	1,256,085	850.54	72,424,196	1.73	72,4
Missouri Pacific	7,235.72	8,893,245	1,229.08	399,630,349	2.23	413,5
New Orleans, Texas & Mexico	191.22	1,176,275	6,151.42	18,613,886	6.32	19,2
Panhandle & Santa Fe	858.37	1,258,046	1,465.62	27,587,915	4.56	28,2
Quincy, Omaha & Kansas City	250.84	D 180,299	D 718.78	6,499,366	D	6,4
St. Louis Southwestern	968.65	6,111,138	6,308.92	79,527,913	7.68	81,7
St. Louis S. West. of Texas	807.20	D 546,337	D 676.83	37,353,867	D	38,8
St. Louis-San Francisco	4,751.21	18,484,458	3,890.47	395,846,710	4.67	402,6
St. Louis-San Fran. & Tex.	134.41	36,800	273.79	3,223,356	1.14	3,6
St. Louis, Brownsville & Mexico	550.22	1,905,563	3,463.27	16,568,842	11.50	17,0
Southern Pacific-La. Lines (c)	608.41	1,166,289	1,916.95	41,585,762	2.80	43,0
San Antonio & Aransas Pass	739.36	849,287	1,148.68	25,432,422	3.34	26,3
Texarkana & Ft. Smith	95.33	854,269	8,961.18	4,906,527	17.41	4,9
Texas & Pacific	1,952.74	5,237,535	2,682.15	132,597,718	3.95	137,2
Vicksburg, Shrevesport & Pacific	184.19	690,832	3,750.65	10,103,160	6.84	10,3
Wabash	2,476.59	8,941,275	3,610.32	233,114,916	3.84	238,9

(a) Includes K. O. & G. of Texas.
(b) " W. F. & N. W.
(c) " M. L. & T. RR. & SS. Co. 1 La. West.
D–Deficit.

s & Texas (b)	1,883.01	7,553,654	4,011.48	197,976,021	3.82	206,035,505	3.67
& Tex. of Texas	1,476.75	1,256,035	850.54	72,424,196	1.73	72,424,196	1.73
	7,235.72	8,893,245	1,229.08	399,630,349	2.23	413,593,829	2.15
xas & Mexico	191.22	1,176,275	6,151.42	18,613,886	6.32	19,225,287	6.12
nta Fe	858.37	1,258,046	1,465.62	27,587,915	4.56	28,267,042	4.45
& Kansas City	250.84	D 180,299	D 718.78	6,499,366	D	6,499,366	D
vestern	968.65	6,111,138	6,308.92	79,527,913	7.68	81,792,927	7.47
t. of Texas	807.20	D 546,337	D 676.83	37,353,867	D	38,839,145	D
ancisco	4,751.21	18,484,458	3,890.47	395,846,710	4.67	402,629,916	4.59
an. & Tex.	134.41	36,800	273.79	3,223,356	1.14	3,621,310	1.02
sville & Mexico	550.22	1,905,563	3,463.27	16,568,842	11.50	17,041,732	11.18
-La. Lines (c)	608.41	1,166,289	1,916.95	41,585,762	2.80	43,611,806	2.56
ransas Pass	739.36	849,287	1,148.68	25,432,422	3.34	26,350,149	3.22
Smith	95.33	854,269	8,961.18	4,906,527	17.41	4,923,451	17.35
	1,952.74	5,237,535	2,682.15	132,597,718	3.95	137,279,548	3.82
esport & Pacific	184.19	690,832	3,750.65	10,103,160	6.84	10,521,235	6.57
	2,476.59	8,941,275	3,610.32	233,114,916	3.84	238,905,631	3.74

des K. O. & G. of Texas.
W. F. & N. W.
M. L. & T. RR. & SS. Co. 1 La. West.
it.

Year ended December 31, 1924

	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Investment in road & equipment	Ratio %
Atchison, Topeka & Santa Fe	9,069.61	$38,348,299	$4,228.22	$827,628,763	4.63
Beaumont, Sour Lake & Western	118.75	410,144	3,453.84	3,469,826	11.82
Chicago & Alton	1,050.86	4,394,793	4,182.09	154,138,288	2.85
Chicago & North Western	8,462.83	16,784,051	1,983.27	493,582,386	3.40
Chicago, Burlington & Quincy	9,407.23	28,742,112	3,055.32	575,464,188	4.99
Chicago Great Western	1,496.06	2,234,046	1,493.29	170,931,517	1.31
Chicago, Milwaukee & St. Paul	10,986.92	18,972,106	1,726.79	720,663,283	2.63
Chicago, Rock Island & Pacific	7,611.46	16,191,390	2,127.27	392,665,629	4.12
Chicago, Rock Island & Gulf	461.23	1,522,199	4,300.31	19,413,522	7.84
Chicago, St. Paul, Mpls. & Omaha	1,749.13	3,408,989	1,948.90	88,111,012	3.87
Chicago & Eastern Illinois	945.00	1,467,259	1,552.66	86,501,040	1.70
Fort Worth & Denver City	456.64	3,832,662	8,393.18	30,784,481	12.45
Galveston, Harrisburg & San Ant	1,379.82	5,056,351	3,664.50	84,301,196	6.00
Gulf, Colorado & Santa Fe	1,908.88	6,241,010	3,269.46	63,806,553	9.78
Houston East & West Texas	191.60	133,549	697.02	7,486,182	1.78
Houston & Shreveport	40.74	81,222	1,993.67	1,139,661	7.13
Houston & Texas Central	929.11	2,521,887	2,714.30	47,001,914	5.37
Illinois Central	4,849.74	23,761,649	4,899.57	497,224,657	4.78
International & Great Northern	1,159.50	2,572,290	2,218.45	45,136,893	5.70
Kansas City, Mexico & Orient	272.20	D 26,517	D 97.42	22,254,305	D
Kansas City, Mex. & Orient of Tex	465.75	168,719	362.25	6,903,461	2.44
Kansas City Southern	773.01	3,021,319	3,908.51	103,177,385	2.93
Kansas, Oklahoma & Gulf (a)	314.42	32,291	102.70	18,821,086	.17
Louisiana Ry. & Nav. Co	337.00	D 255,291	D 757.54	22,897,031	D.
Louisiana Ry. & Nav. Co. of Tex	206.00	D 49,710	D 241.31	3,155,309	D
Minneapolis, St. Paul & S. S. Marie	4,402.53	6,776,158	1,539.15	216,251,642	3.13
Minneapolis & St. Louis	1,647.26	D 959,951	D 582.76	65,330,900	D
Missouri, Kansas & Texas	1,803.88	8,912,952	4,940.99	200,462,037	4.45
Missouri, Kans. & Tex. of Texas	1,389.26	3,674,546	2,644.97	73,475,120	5.00
Missouri Pacific	7,359.97	15,817,584	2,149.14	418,392,110	3.78

I. C. C. Docket No. 15234

nt of Property Investment and Net Income

				Six months ended June 30, 1925				
tment d & ment	Ratio %	Invest. in rd. & equip. material & suppl. incl.	Ratio, %	Average miles operated	Net railway operating income	Net railway operating income per mile of road	Ratio income to investment in rd. & eqp. %	Ratio income to invst. in rd. & equip., mtl. & suppl. incl., %
28,763	4.63	$851,472,516	4.50	9,184	$13,837,459	$1,506.69	1.67	1.63
69,826	11.82	3,469,826	11.82	119	245,427	2,066.75	7.07	7.07
38,288	2.85	155,856,284	2.82	1,055	1,593,471	1,510.40	1.03	1.02
82,386	3.40	507,523,474	3.31	8,462	6,951,641	821.51	1.41	1.37
64,188	4.99	593,990,071	4.84	9,396	9,519,473	1,013.14	1.65	1.60
31,517	1.31	172,121,988	1.30	1,496	229,930	153.70	.13	.13
63,283	2.63	734,238,571	2.58	11,024	3,142,656	280.49	.44	.43
65,629	4.12	403,736,660	4.01	7,578	4,950,522	653.28	1.26	1.23
13,522	7.84	19,895,471	7.65	461	364,263	790,17	1.88	1.83
11,012	3.87	90,350,290	3.77	1,749	1,055,844	603.68	1.20	1.17
01,040	1.70	88,842,434	1.65	945	307,409	325.30	.36	.35
84,481	12.45	31,604,890	12.13	491	1,266,490	2,579.41	4.11	4.01
01,196	6.00	87,281,614	5.79	1,621	1,220,530	752.95	1.45	1.40
0,553	9.78	66,742,603	9.35	1,908	944,762	495.16	1.48	1.42
90,182	1.78	7,801,789	1.71	191	112,911	591.16	1.51	1.45
39,661	7.13	1,139,661	7.13			Not available		
11,914	5.37	48,408,108	5.21	929	750,748	808.12	1.60	1.55
24,657	4.78	509,648,414	4.66	4,875	11,278,406	2,313.52	2.27	2.21
36,893	5.70	47,533,245	5.41	1,159	757,123	653.26	1.68	1.59
14,305	D	22,642,732	D	272	D 27,605	D 101.49	D	D
8,461	2.44	6,980,146	2.42	465	237,878	511.57	3.45	3.41
7,385	2.93	105,221,379	2.87	773	1,572,229	2,033.93	1.52	1.49
1,086	.17	19,022,235	.17	314	D 122,917	D 391.46	D	D
7,031	D.	23,360,802	D	337	D 22,858	67.83	D	D
5,309	D	3,252,667	D	206	D 87,287	423.72	D	D
1,642	3.13	221,142,005	3.06	4,402	2,116,791	480.87	.98	.96
0,900	D	67,204,870	D	1,638	D 507,879	D 310.06	D	D
2,037	4.45	206,815,112	4.31	1,799	4,841,247	2,691.08	2.42	2.34
5,120	5.00	73,475,120	5.00	1,389	783,601	564.15	1.07	1.07
2,110	3.78	430,399,345	3.68	7,337	7,251,688	988.37	1.73	1.68

Missouri, Kansas & Texas	1,803.88	8,912,952	4,940.99	200,462,037	4.45
Missouri, Kans. & Tex. of Texas	1,389.26	3,674,546	2,644.97	73,475,120	5.00
Missouri Pacific	7,359.97	15,817,584	2,149.14	418,392,110	3.78
New Orleans, Texas & Mexico	191.22	1,368,349	7,155.89	18,344,272	7.46
Panhandle & Santa Fe	858.49	2,693,970	3,138.03	29,032,647	9.28
Quincy, Omaha & Kansas City	250.84	D 168,246	D 670.73	6,461,201	D
St. Louis Southwestern	969.81	4,160,359	4,289.87	80,737,530	5.15
St. Louis So. West. of Texas	807.20	526,011	651.65	38,339,239	1.37
St. Louis-San Francisco	4,760.77	20,589,138	4,324.75	404,394,589	5.09
St. Louis-San Fran. & Tex.	137.95	221,809	1,607.89	3,256,348	6.81
St. Louis, Brownsville & Mex	550.22	2,177,108	3,956.80	16,940,227	12.85
Southern Pacific-La. Lines (b)	608.41	728,696	1,197.71	42,721,156	1.71
San Antonio & Arkansas Pass	739.36	752,236	1,017.42	26,327,477	2.86
Texarkana & Fort Smith	81.08	843,057	10,397.84	5,114,711	16.48
Texas & Pacific	1,952.74	5,801,611	2,971.01	136,684,234	4.24
Vicksburg, Shreveport & Pacific	188.46	480,047	2,547.21	10,959,254	4.38
Wabash	2,489.93	9,347,780	3,754.23	242,553,968	3.85

(a) Includes Kans. Okla. & Gulf of Tex. (b) Includes M. L. & T. RR. & SS. Co.; La. Western. D—Deficit.

462,037	4.45	206,815,112	4.31	1,799	4,841,247	2,691.08	2.42	2.34
475,120	5.00	73,475,120	5.00	1,389	783,601	564.15	1.07	1.07
392,110	3.78	430,399,345	3.68	7,337	7,251,688	988.37	1.73	1.68
344,272	7.46	19,317,404	7.08	191	827,983	4,330.00	4.51	4.29
032,647	9.28	29,833,585	9.03	858	602,724	702.48	2.08	2.02
461,201	D	6,461,201	D	250	D 137,800	D 551.20	D	D
737,530	5.15	83,016,825	5.01	945	1,830,279	1,936.80	2.27	2.20
339,239	1.37	39,657,785	1.33	807	D 21,232	D 26.31	D	D
394,589	5.09	409,052,437	5.03	4,902	9,868,732	2,013.21	2.44	2.41
256,348	6.81	3,528,591	6.29	137	88,227	643.99	2.72	2.50
940,227	12.85	17,455,103	12.47	550	1,137,596	2,067.53	6.72	6.52
721,156	1.71	44,497,611	1.64	607	D 162,263	D 2,673.19	D	D
327,477	2.86	27,357,474	2.75		Included in Southern Pacific System			
114,711	16.48	5,232,523	16.11			Not available		
684,234	4.24	140,757,184	4.12	1,952	1,975,925	1,012.26	1.45	1.40
959,254	4.38	11,458,714	4.19	188	216,643	1,152.36	1.98	1.89
553,968	3.85	246,750,455	3.79	2,524	4,357,738	1,726.52	1.80	1.77

D—Deficit.

I. C. C. Docket 15234

Net Railway Operating Income

Average of Test Period and Year 1924 Compared

Railroad or system	Average Miles operated	Average annual Net opr. Income test period	Net operating Income year 1924	Decrease	Increase
Atchison, Topeka & Santa Fe	9,069.61	$39,777,492	$38,348,299	$1,429,193	.....
Beaumont, Sour Lake & Western	118.75	D 49,963	410,144	.....	$460,107
Chicago & Alton	1,050.86	3,178,315	4,394,793	.....	1,216,478
Chicago & Northwestern	8,462.83	23,165,985	16,784,051	6,381,934	.....
Chicago, Burl. & Quincy	9,407.23	33,841,542	28,742,112	5,099,430	.....
Chicago Great Western	1,496.06	2,953,450	2,234,046	719,404	.....
Chicago, Milw. & St. Paul	10,986.92	27,053,059	18,972,106	8,080,953	.....
Chicago, Rock Island & Pacific	7,611.46	14,753,988	16,191,390	.....	1,437,402
Chicago, Rock Island & Gulf	461.23	956,418	1,522,199	.....	565,781
Chicago, St. P., Mpls. & Oma	1,749.19	4,931,623	3,408,989	1,522,634	.....
Chicago & Eastern Illinois	945.00	2,945,001	1,467,259	1,477,742	.....
Fort Worth & Denver City	456.64	1,921,482	3,832,662	.....	1,911,180
Galv. Harr. & San Antonio	1,379.82	3,235,226	5,056,351	.....	1,821,125
Gulf, Colo. & Santa Fe	1,908.88	2,959,904	6,241,010	.....	3,281,106
Houston, East & West Tex	191.60	377,909	133,549	244,360	.....
Houston & Shreveport	40.74	85,032	81,222	3,810	.....
Houston & Texas Central	929.11	1,713,566	2,521,887	.....	808,321
Illinois Central	4,849.74	16,310,621	23,761,649	.....	7,451,028
International & Great Northern	1,159.50	1,375,530	2,572,290	.....	1,196,760
Kansas City, Mex. & Orient	272.20	9,073	D 26,517	.....	133,129
Kansas City, Mex. & Orient of Tex	465.75		168,719	.....	
Kansas City Southern	773.01	3,002,509	3,021,319	.....	18,810
Kansas, Oklahoma & Gulf (a)	314.42	127,961	32,291	95,670	.....
Louisiana Ry. & Nav. Co	337.00	357,353	D 255,291	612,644	.....
Mpls., St. Paul & S. S. M.	4,402.53	10,578,977	6,776,158	3,802,819	.....
Mpls. & St. Louis	1,647.26	2,639,994	D 959,951	3,599,945	.....
Mo. Kans. & Texas	1,803.88	5,891,900	8,912,952	.....	3,021,052
Mo., Kans. & Texas of Tex	1,389.26	636,302	3,674,546	.....	3,038,244
Missouri Pacific	7,359.97	13,978,029	15,817,584	.....	1,839,555
New Orleans, Tex. & Mex	191.22	184,924	1,368,349	.....	1,183,425
Panhandle & Santa Fe	858.49	1,331,247	2,693,970	.....	1,362,723
Quincy, Omaha & Kans. City	250.84	87,559	D 168,246	705,805	.....

[illegible] Kans. & Texas	1,803.88	5,891,900	8,912,952	.....	3,021,052
Mo., Kans. & Texas of Tex	1,389.26	636,302	3,674,546	.....	3,038,244
Missouri Pacific	7,359.97	13,978,029	15,817,584	.....	1,839,555
New Orleans, Tex. & Mex	191.22	184,924	1,368,349	.....	1,183,425
Panhandle & Santa Fe	858.49	1,331,247	2,693,970	.....	1,362,723
Quincy, Omaha & Kans. City	250.84	37,559	D 168,246	205,805	.....
St. Louis Southwestern	969.81	3,309,791	4,160,359	.....	850,568
St. Louis S. W. of Texas	807.20	534,923	526,011	8,912	.....
St. Louis-San Francisco	4,760.77	13,897,260	20,589,138	.....	6,691,878
St. Louis-San Fran. & Tex	137.95	D 332,953	221,809	.....	554,762
St. Louis, Brownsv. & Mex	550.22	971,156	2,177,108	.....	1,205,952
Southern Pac.-La. Lines (b)	608.41	2,081,694	728,696	1,352,998	.....
San Antonio & Aransas Pass	739.36	357,479	752,236	.....	349,757
Texas & Pacific	1,952.74	3,723,435	5,801,611	.....	2,078,176
Texas & New Orleans	507.00	713,475	368,924	344,551	.....
Vicksburg, Shreveport & Pac	188.00	344,948	480,047	.....	135,099
Wabash	2,489.93	5,164,669	9,347,780	.....	4,183,111
Total	96,052.39	$251,027,885	$262,885,610	$34,982,804	$46,840,529

D—Deficit.
(a) Includes K. O. & G. of Texas.
(b) Includes M. L. & T. RR. & SS. Co., and Louisiana Western.

Statistics of Freight Traffic

Item	Group No.	1890	1900	1910	1923	1924
Tons Per Train	6	148	244	359	.....	.....
	8	148	186	263	.....	.....
	9	124	198	240	.....	.....
Ton Miles Per Mile of Line	6	376,403	586,524	906,385	1,380,326	1,272,387
	8	243,753	385,195	565,809	953,212	1,007,206
	9	245,732	363,278	420,831	743,923	851,444
Miles Haul Per Ton	6	155	144	141	.....	.....
	8	172	171	183	.....	.....
	9	224	173	132	.....	.....
Revenue per Ton per Mile (cents)	6	0.961	0.806	0.751	1.036	1.041
	8	1.152	0.964	0.971	1.287	1.253
	9	1.303	0.946	1.056	1.396	1.350
Revenue per Ton	6	$1.49	$1.16	$1.06	.....	.....
	8	1.98	1.65	1.78	.....	.....
	9	2.92	1.64	1.38	.....	.....
Freight Revenue per Mile of Road	6	$3,627	$4,835	$6,781	$14,300	$13,241
	8	2,808	3,399	5,452	12,268	12,618
	9	3,202	3,489	4,432	10,455	11,497

Territory	Avg. miles operated	Freight revenue	No. Tons one mile	Tons 1 mile per mile of line	Revenue per ton per mile	Freight Rev. per mile of road
Group 6:						
Illinois	8,714.58	$209,793,074	22,142,730,040	2,540,883	0.947c	.....
Wisconsin	7,159.90	88,789,323	7,931,591,171	1,107,780	1.119	.....
Iowa	10,088.51	105,112,772	9,813,304,431	972,721	1.071	.....
Minnesota	8,501.93	122,111,991	10,893,520,207	1,281,300	1.121	.....
No. Dakota	5,143.99	35,278,854	3,340,631,507	649,424	1.056	.....
So. Dakota	4,226.94	19,358,479	1,654,382,636	391,390	1.170	.....
	43,835.85	580,444,493	55,776,159,992	1,272,387	1.041	$13,241
Group 8:						
Colorado	3,877.33	39,434,493	2,690,471,023	693,898	1.466	.....
Kansas	9,311.65	111,271,580	8,793,064,406	944,308	1.265	.....
Missouri	7,745.20	119,225,467	10,258,013,560	1,324,435	1.162	.....
Oklahoma	6,233.17	71,647,599	5,466,771,016	877,045	1.311	.....
Arkansas	4,294.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Colorado	3,877.35	39,454,495	2,690,471,023	693,898	1.466	.....
Kansas	9,311.65	111,271,580	8,793,064,406	944,308	1.265	.....
Missouri	7,745.20	119,225,467	10,258,013,560	1,324,435	1.162	.....
Oklahoma	6,233.17	71,647,599	5,466,771,016	877,045	1.311	.....
Arkansas	4,294.06	55,391,759	4,479,790,911	1,043,253	1.236	.....
	31,461.41	396,970,898	31,688,110,916	1,007,206	1.253	$12,618
Group 9:						
Louisiana	3,681.02	41,535,873	3,360,983,798	913,058	1.236	.....
Texas	14,538.32	165,418,139	11,806,290,758	912,081	1.041	.....
New Mexico	2,787.19	34,550,508	2,718,606,136	975,393	1.271	.....
	21,006.53	241,504,520	17,885,880,692	851,444	1.350	$11,497

Figures for 1890, 1900 and 1910 are taken from Annual Report of the Interstate Commerce Commission.
Figures for 1924 are computed as per details shown on this sheet.

[fol. 262] By "lines interested" I mean respondents. Pages 1 and 2 are made up from figures furnished by the different companies to Mr. L. E. Wettling of the Western Statistical Bureau. Each of the companies reported to him giving him the information which they had reported to the several states, and I compiled this statement for these specific lines from the information furnished to him for both the years 1923 and 1924, which gives the traffic density of each line in each different state traversed by them (Tr. 4337).

Pages 3, 4, and 5 of exhibit A-50 are a statement of the property investment and net income with the ratio of return for the years 1922, 1923 and 1924, and six months ended June 30, 1925. These are taken from the interstate Commerce reports, so far as the Commission has published them, and it is taken from the information reported to the Commission by the different carriers for the years 1924 and 1925, in every case agreeing with the record and statistics of the Interstate Commerce Commission—except that the ratios are my own computation based on the figures referred to (Tr. 4337-4338).

At the bottom of page 1, the total for all class I roads refers to the total for all the class I roads, and in the upper peninsula in the first column, and in each state. The figures for the upper peninsula of Michigan were arrived at in this manner:

The Chicago & North Western, the Milwaukee and the Soo line operate in no other part of Michigan except the for the State of Missouri had been split, and Attorney for that state (Tr. 4338).

Whereupon Attorney Muckley inquired how the figures for the State of Missouri had been split, and Attorney Towner replied that the witness had not segregated the [fol. 263] figures as to Western Trunk line and the Southwest (Tr. 4339).

The Witness, continuing: The exhibit shows the total for all class I roads, that means the total for all lines named in each one of these states, that is of all class I lines (Tr. 4339).

Page 6 of exhibit A-50 shows for each of the lines named the average mileage operated and the average annual net

operating income of the test period, being the three years ended June 30, 1917, which was used by the companies in determining the compensation to be paid to these lines during the period of Federal control. In the next column we have shown opposite that for each line the net operating income for the year 1924. These figures are reported to the Commission. In the two columns to the right the increase or decrease of the net operating income for the year 1924, as compared with the test period, is shown. The increases or decreases are my own computation (Tr. 4339-4340).

Page 7 of exhibit A-50 shows the statistics of freight traffic for the years 1890, 1900 and 1910, 1923 and 1924. The figures to and including 1910 are published in the Interstate Commerce Commission's statistics. The figures for 1923 were computed by me and are shown in the previous exhibit in this case, and the figures for 1924 are shown in the lower field on page No. 7 showing the manner in which I have computed this information for group No. 6, group No. 8 and group No. 9. These groups are shown in my former exhibit, and also in this exhibit in the lower block (Tr. [fol. 264] 4340). I made a little map showing each group and the territory included in each group in that former exhibit.

By Mr. Muckley:

Q. But not in this case.

By Mr. Towner:

Q. The groups as you have shown them in the upper block on page No. 7 include the states that you have shown in the lower block on the same page, do they not, Mr. Balch?

A. Practically, yes. Just a moment, please. Group No. 6, for instance, is the group which was used by the Interstate Commerce Commission in setting their statistics for a long period of time, in fact, up until about 1910, I believe was the last year, but all the general statistics of the Commission were stated in groups, and group No. 6 included these states, Illinois, Wisconsin, Iowa, Minnesota, North Dakota and South Dakota.

Now, group No. 8 took in Colorado, Kansas, Missouri, Oklahoma, and Arkansas, and group 7 takes in Louisiana, Texas and New Mexico.

Q. And those were groups established by the Commission and maintained by them in securing statistics, as you say, up until 1910?

A. Yes, sir (Tr. 4340-4341).

The groups do not conform exactly to these state lines, but approximately so. On the west the Rocky Mountains divide the groups, and there is a little piece of one state that overlooks into another group, but they are in territories that are not of any importance, so that we made a fair comparison by making up these group statistics in this way. We made a fair comparison for the year 1924 with similar information for the years 1910 and 1900 and 1890. I was endeavoring to get the nearest information on present records which is comparable with the statistics which they set up in their records for those previous years. The computations for the years 1923 and 1924 are mine (Tr. 4341-4342).

[fol. 265] Cross-examination:

The divisions as shown on exhibit A-41 for instance, via Kansas City, include the revenue north of Kansas City whether handled by the Chicago North Western or some other line intermediate. The revenue north of Kansas City is shown in the exhibit. Same is true as to St. Louis. In the case of Omaha and Council Bluffs, there is included only the revenue east or north of Council Bluffs or Omaha, that is the North Western traffic. I do not think a great part of the Omaha traffic would come through Kansas City (4343). It is possible that a portion of the Omaha traffic would come through Kansas City when handled via the Missouri Pacific or the Burlington to Omaha, and to that extent, wherever those cases occur, the additional revenue and mileage performed in Western Trunk Line territory by the Western Trunk lines are not included in exhibit A-41. I understand, however, that the divisions break on Council Bluffs, no matter what company handles it south thereof (Tr. 4342-4343).

In this exhibit I have included in the case of Council Bluffs the revenue north and east of Council Bluffs only (Tr. 4344).

Page 2 of the exhibit should be corrected to show Texarkana and Fort Smith Railway instead of Texas and Fort Smith (Tr. 4345).

We have undertaken to show the information in exhibits A-41 to A-49 inclusive without any duplications. In the case of the North Western and the Chicago, St. Paul, Minneapolis & Omaha, we compared notes very carefully to see that it was not duplicated. The destination or origin carrier reported the traffic and the intermediate line did not show it (Tr. 4345).

The statements do not include any traffic in Western Trunk Line territory for the Chicago, Burlington & Quincy, the Rock Island lines, or the Santa Fe lines. In the case of a shipment moving from Texas to Kansas City via Santa Fe or Rock Island, Kansas City to Des Moines, and then Des Moines to destination via the Chicago and North West-[fol. 266] ern, the proportion north of Kansas City would be included in the exhibits because that is taken up by the North Western, and the revenue to Kansas City has been shown. In the case of a shipment handled from Oklahoma or Texas to Iowa destinations, and handled from point of origin to Des Moines via the Rock Island, and from Des Moines to interior Iowa destination by the Chicago and North Western, we computed the regular divisions to Kansas City. The exhibit includes the revenue and tons and earnings north of Kansas City (Tr. 4346-4347-4348).

The exhibit does not include any commodities that terminated on the lines of the Rock Island or the Chicago, Burlington & Quincy or the Santa Fe (in Western Trunk Line territory) (Tr. 4348).

In the case where traffic is handled from one of the southwestern division junctions by the Chicago & North Western or any other Western Trunk line in this case, and thereafter handled to the Santa Fe, Burlington or Rock Island, and handled by that line to final destination, either to Western Trunk line or beyond, the tonnage, earnings and mileage on such a shipment is not shown in these exhibits. If the traffic were delivered to the Chicago Great Western at Kansas City, and thereafter delivered by that line to the Rock

Island line to be handled to destination, the revenue and earnings of the Great Western would not be in the exhibit (Tr. 4348-4349).

Referring to page 5 of exhibit A-41, and also to page 6 which gives the detail, if the car of lumber shown as moving from De Queen, Arkansas, via the Kansas City Southern to Kansas City and finding destination on the North Western, the shipment might be handled from Kansas City [fol. 267] via any line connecting with the North Western, the revenue shown is not the revenue of the North Western but the revenue of the complete lines of carriers north of Kansas City (Tr. 4349-4350).

Referring to page 7 of exhibit A-50 and groups 6, 8, and 9 shown thereon, the Interstate Commerce Commission, after the year 1910, abandoned the grouping, and thereafter used the group system on all the particular lines and systems. I would not certify to the reasons why they did that (Tr. 4351); and all the reports made by the North Western railroad to the Commission showing the divisions by groups was very carefully made, and it was accurate so far as any of these figures are absolutely accurate. I did not say that the method which was abandoned was impractical. They considered it practical for 30 years—23 years. It became more difficult to do it, and to make separations, and I think the carriers rather objected to making the separations. Our North Western line dropped into groups 6 and 7 very readily, but a good many of the lines did not, and it was very difficult to divide them. It became more and more so as the traffic in the West developed, and it became a greater burden each year. They abandoned it for some reason that I could not state, but I have never heard any expression from the Commission that the grouping was not practical (Tr. 4352). I do not know that the method was generally understood to be impracticable by statisticians at that time. I do not know that it did not actually produce very accurate results (Tr. 4352-4353).

I cannot say whether the same methods were used in the upper bracket on page 7 in the computations for the years 1923 and 1924 as were used by the Commission in its groups for 1890, 1900, and 1910. I have given the complete detail that I used in making my groups. I followed practically the same method in getting up the figures for 1923 and 1924,

with respect to the subdivision of groups, as the Commis-
[fol. 268] sion followed for the period 1890 to 1910. The figures for 1923 and 1924 were made up from reports to the different states. The figures previous to that year were not necessarily made up from that source. They were made up from reports direct to the Commission, but we presumed that they were the same. Now whether all of these states had all of these reports for all of these years I do not know. My judgment would be that the figures for the years 1923 and 1924 are just as reliable as the figures for the previous year, and possibly more exact. I do not know what practices all of the roads had in these southwestern states (Tr. 4353-4354).

So far as the formulas are available in reports, the formulas and methods of computing these figures are the same.

[fol. 269] The figures for 1924 in the upper block showing tons per mile of line in group 6 are the figures for the states shown in the lower blocks as being in group 6 and as reported to the individual states. That figure is a computation made by me of the tons per mile of line of the roads in group 6 as designated in the lower block of the sheet. Group 6 for the year 1890, 1900 and 1910 included those states and the reports were made to the Commission by groups. There is included in group 6 the states of North and South Dakota (Tr. 4354-4355)

There followed a discussion as to why the Texas & New Orleans road was included on some pages of the exhibit and not on others. The witness said that this carrier was supposed to have a net income of one million dollars, and the only reason that he could account for its omission is that the figures had not been obtained, that there was no intention of leaving out any line concerned (Tr. 4357).

The Witness, continuing: It is my understanding that the mileage as shown on exhibit A-41 and similar exhibits is the actual mileage that the shipments moved. We had no means of getting short line mileages from our records and the general mileages from the Railroad Guide were used.

We figured the mileage to the junctions that the shipments actually moved (Tr. 4358).

Attorney Towner thereupon stated that where a mileage pro-rate was shown, it was computed on the actual mileage that the individual shipment moved.

Mr. Outlaw: Well, I will accept your statement, then. I just wanted a definite statement in the record (Tr. 4358-4359).

Attorney Towner then said that the figures had been gotten up before question was raised as to such junctions as New Orleans, Baton Rouge, and Vicksburg, and for that [fol. 270] reason, those points were included, and that there was nothing in the exhibit that would operate to change his conclusions with respect to the elimination of those points as it afterwards developed (Tr. 4359).

B. F. Parsons was thereupon recalled as a witness for the Western Trunk Lines and testified as follows:

I testified at the hearing last month in this case. At the previous hearing on October 15th I introduced exhibits A-39, showing traffic density and certain averages by states. At that time I explained the source of the data included in this exhibit and stated that it was supplied by the auditors of the several railroads to Mr. L. E. Wettling, manager Western Lines Statistical Bureau.

In the rate structure investigation and revenues in western district the latter Ex Parte 87, the Commission, on August 18, 1925, issued a notice in which, among other things, they called upon the western railroads to furnish their mileage, revenue and expenses, segregated by states. This was done and the data for the year 1924 introduced by Mr. Wettling as his exhibit No. 50. That exhibit reproduces the statements supplied to him by each of the western railways. I have checked this data as shown in Mr. Wettling's exhibit with the information from which my exhibit A-39 was compiled and find that the figures I have used for the year 1924 in every case are identically the same figures that have been submitted by Mr. Wettling as witness for the western carriers in Ex Parte 87.

The figures were furnished in Ex Parte 87 by the respondent lines in response to a request from the Commission itself (Tr. 4360-4361).

[fol. 271] In connection with exhibit A-39, question was raised about the inclusion of the state of Kansas. I have reworked the figures for the southwestern group, omitting the state of Kansas.

On page 2, exhibit A-39, showing the data for the year 1924, the southwestern group, exclusive of the State of Kansas, included 33,016.25 miles of railroad. The tons carried one mile by the railroads in the group are found to be 30,000,303,506; the freight revenue $396,007,682; the ton mile per mile of road, 908,653; the revenue per ton mile, 1.32 cents; the freight revenue per mile of road, $11,994 (Tr. 4631-4632),

The effect upon the averages of excluding the State of Kansas was to reduce the traffic density or ton miles per mile of road from 916,496 to 908,853, but increasing the revenue per ton mile from 1.308 cents to 1.320 cents, and to increase the revenue per mile of road,—that is, the freight revenue, from $11,985 to $11,994.

On page 3 of the exhibit, for the year 1923 the average ton miles per mile of road, excluding Kansas, are 822,091; the revenue per ton mile, 13.51 mills, and the freight revenue per mile of road, $11,110.

On page 4, exhibit A-39, for the year 1922 the ton miles per mile of road, excluding Kansas, from the southwestern group are 712,444; the revenue per ton mile, 14.41 mills, and the freight revenue per mile of road, $10,265 (Tr. 4362-4363).

Exhibit A-51 is a statement of operating and traffic statistics and averages for the year ended December 31, 1924, of respondent carriers in Western Trunk Line territory and Southwestern territory (Tr. 4363).

Exhibit A-51 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-51, side folios 272, 273, 274, 275, and 276)

EXHIBIT No. A-51

Witness: Parsons

(Title page omitted)

Page 2

1924

I. C. C. Docket 15234

Railway Operating Revenues a
Year ended December 31,

Railroad	Average miles operated	Railway operating revenue	Railway Operating Expenses			
			M. of W. and S.	M. of E.	Transportation expenses	Other expenses
Chicago & Alton	1 050.86	$30 854 030	$4 169 311	$7 011 157	$11 325 216	$1 387 785
C. & E. I.	945.13	26 068 788	2 604 958	7 827 155	10 408 218	1 612 925
C. & N. W.	8 462.83	149 454 584	22 559 053	30 581 466	60 501 486	6 894 640
C. B. & Q.	9 407.23	162 674 878	19 413 917	34 786 170	57 810 257	7 948 390
C. G. W.	1 496.06	24 726 678	3 682 233	4 726 280	10 228 278	1 601 620
C. M. & St. P.	10 966.92	158 366 459	22 449 379	34 120 037	61 880 508	7 100 137
C. St. P. M. & O.	1 749.19	27 915 736	3 717 699	5 074 994	12 037 511	1 359 620
Illinois Central	4 849.74	151 711 549	20 304 135	35 568 656	55 441 751	6 530 190
M. & St. L.	1 647.26	15 097 126	3 041 869	3 854 374	6 777 152	873 597
M. St. P. & S. S. M.	4 402.53	47 945 360	6 881 582	8 647 423	18 969 690	2 315 160
Q. O. & K. C.	250.84	1 051 805	372 398	187 041	522 416	42 677
Wabash	2 489.93	65 780 929	9 913 565	11 579 913	24 973 374	3 831 565
A. T. & S. F.	9 069.61	194 174 238	29 869 509	43 975 231	60 647 874	6 649 258
B. S. L. & W.	118.75	2 757 926	396 638	316 697	795 772	192 662
C. R. I. & G.	461.23	6 693 417	882 555	811 597	2 550 687	397 215
C. R. I. & P.	7 611.46	124 187 094	14 204 034	27 125 483	49 230 474	6 004 501
Ft. W. & D. C.	456.64	11 170 306	948 856	2 031 895	3 075 086	643 520
G. H. & S. A.	1 379.60	26 354 595	4 147 157	4 771 042	8 926 516	1 760 920
G. C. & S. F.	1 908.88	30 125 126	5 451 013	6 274 471	8 816 029	1 281 113
H. & S.	40.74	811 636	214 771	132 362	266 223	27 408
H. & T. C.	929.11	15 627 314	2 995 942	2 715 644	5 083 456	827 402
H. E. & W. T.	191.60	3 201 870	869 526	678 357	1 123 490	137 530
I. G. N.	1 159.50	16 901 448	2 988 936	2 999 926	6 112 184	854 194
K. C. M. & O.	272.20	2 362 112	425 838	564 731	963 399	141 109
K. C. M. & O. of Tex.	465.75	2 666 527	545 593	563 671	957 490	148 885
C. S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EXHIBIT No. A-51

Witness: Parsons

(Title page omitted)

Page 2

1924

I. C. C. Docket 15234

ilway Operating Revenues and Expenses
Year ended December 31, 1924

Operating Expenses

Transportation expenses	Other expenses	Total	Net operating revenue	Operating ratio	Railway Tax accruals	Uncollectible railway revenue	Railway operating income	Ratio (a)
1 325 216	$1 387 785	$23 895 469	$6 960 561	77.44%	$1 243 085	$4 822	$5 712 654	81.48%
0 408 218	1 612 925	22 453 256	3 615 532	86.13	1 445 000	14 615	2 155 917	91.73
0 501 486	6 894 640	120 536 645	28 917 939	80.65	9 348 842	63 521	19 505 576	86.95
7 810 257	7 948 390	119 958 734	42 716 144	73.74	10 642 576	75 474	31 998 094	80.33
0 228 278	1 601 620	20 238 411	4 488 267	81.84	945 933	3 854	3 538 480	85.69
880 508	7 100 137	125 550 061	32 816 398	79.28	9 014 061	127 830	23 674 507	85.05
1 037 511	1 359 620	22 189 824	5 725 912	79.49	1 615 940	13 072	4 096 900	85.32
441 751	6 530 190	117 844 732	33 866 817	77.68	11 336 699	52 601	22 477 517	85.18
777 152	873 597	14 546 992	550 134	96.36	726 965	18 067	d 194 898	101.29
1 969 690	2 315 160	36 813 855	11 131 505	76.78	3 082 722	16 629	8 032 154	83.25
522 416	42 677	1 124 532	d 72 727	106.91	55 203	75	d 128 005	112.17
2 973 374	3 831 565	50 928 417	15 482 512	76.46	3 036 367	14 182	12 431 963	81.10
647 874	6 649 258	141 141 872	53 032 366	72.69	16 146 590	52 256	36 833 520	81.03
795 772	192 662	1 701 769	1 056 157	61.70	80 908	681	974 568	64.66
550 687	397 215	4 642 054	2 051 363	69.35	153 828	759	1 896 776	71.66
230 474	6 004 501	96 564 492	27 622 602	77.76	6 417 259	55 963	21 149 380	82.97
075 086	643 520	6 699 357	4 470 949	59.97	627 852	4 969	3 838 128	65.64
926 516	1 760 920	19 605 635	6 748 960	74.39	862 957	25 280	5 860 723	77.77
816 029	1 281 113	21 822 626	8 302 500	72.44	1 046 423	10 696	7 245 381	75.95
266 223	27 408	640 764	170 872	78.95	34 218	125	136 529	83.18
083 456	827 402	11 622 444	4 004 870	74.37	749 280	13 424	3 242 166	79.25
123 490	137 530	2 808 903	392 967	87.73	95 206	1 978	295 783	90.76
112 184	854 104	12 955 240	3 946 208	76.65	555 087	3 246	3 387 875	79.96
963 399	141 109	2 095 077	267 035	88.70	30 913	514	235 608	90.03
957 490	148 885	2 215 639	450 888	83.09	68 887	68	381 933	85.68

I. G. N.	1 159.50	16 901 448	2 988 936	2 999 926	6 112 184	854 194
K. C. M. & O.	272.20	2 362 112	425 838	564 731	963 399	141 109
K. C. M. & O. of Tex.	465.75	2 666 527	545 593	563 671	957 490	148 885
K. C. S.	773.01	18 131 751	2 667 890	3 588 900	6 017 861	1 421 910
K. O. & G.	314.42	2 184 589	527 901	346 086	824 389	225 910
K. O. & G. of Tex.	9.10	173 001	19 435	24 157	53 218	20 452
L. R. & N. Co.	338.63	4 144 231	1 094 946	701 967	1 667 087	244 421
L. R. & N. Co. of Tex.	206.08	1 345 481	245 960	184 143	599 467	99 019
La. Western	207.74	4 197 086	539 027	808 281	1 239 147	410 119
M. K. T.	1 803.88	34 488 364	4 411 486	7 789 675	9 278 817	1 876 489
M. K. T. of Tex.	1 389.26	22 820 981	3 151 652	3 727 799	8 084 957	1 411 159
Mo. Pac.	7 359.97	123 647 723	18 916 235	25 842 403	46 725 525	6 981 202
M. L. & T.	400.67	8 452 982	1 575 492	1 917 606	3 424 976	677 948
N. O. T. & M.	191.22	3 387 737	696 723	619 259	810 136	235 890
P. H. & S. F.	858.49	11 111 588	1 392 562	2 531 154	3 135 139	291 455
St. L. B. & M.	550.22	7 841 144	1 295 330	924 000	1 887 280	450 078
St. L. S. F.	4 760.77	85 989 817	10 985 648	17 272 882	29 021 464	3 291 839
St. L. S. F. & Tex.	137.95	2 033 807	302 906	332 043	723 899	139 257
St. L. S. W.	969.81	18 245 055	2 394 804	3 825 865	4 621 012	1 471 062
St. L. S. W. of Tex.	807.20	8 081 236	1 838 179	2 052 228	3 149 490	675 273
S. A. & A. P.	739.36	7 424 448	1 628 320	1 575 031	2 689 282	382 274
T. & Ft. S.	81.08	2 892 262	304 865	269 594	776 465	209 044
Texas & N. O.	507.95	9 282 765	2 029 786	2 237 044	3 479 443	353 265
Texas & Pacific	1 952.74	33 784 580	4 841 083	6 471 081	11 589 114	2 341 046
V. S. & P.	188.46	4 259 264	815 044	655 230	1 508 385	348 815

d—Deficit.

(a)—Ratio of the sum of Railway Operating Expenses, Railway Tax Accruals and Uncollectible Railway Revenue to Railway Op

6 112 184	854 194	12 955 240	3 946 208	76.65	555 087	3 246	3 387 875	79.96
963 399	141 109	2 095 077	267 035	88.70	30 913	514	235 608	90.03
957 490	148 885	2 215 639	450 888	83.09	68 887	68	381 933	85.68
6 017 861	1 421 910	13 696 561	4 435 190	75.54	1 092 246	4 045	3 338 899	81.59
824 389	225 910	1 924 286	260 303	88.08	122 290	7 332	130 681	94.02
53 218	20 452	117 262	55 739	67.78	2 750	.....	52 989	69.37
1 667 087	244 421	3 708 421	435 810	89.48	247 986	750	187 074	95.49
599 467	99 019	1 128 589	216 892	83.88	66 548	24	150 320	81.40
1 239 147	410 119	2 996 574	1 200 512	71.40	367 764	1 375	831 373	80.19
9 278 817	1 876 489	23 356 467	11 131 897	67.72	2 607 543	16 870	8 507 484	75.33
8 084 957	1 411 159	16 375 567	6 445 414	71.76	608 144	14 534	5 822 736	74.49
46 725 525	6 981 202	98 466 365	25 181 358	79.63	4 690 480	45 414	20 445 464	83.46
3 424 976	677 948	7 596 022	856 960	89.86	602 918	12 320	241 722	97.14
810 136	235 890	2 362 008	1 025 729	69.72	257 784	2 509	765 436	77.41
3 135 139	291 455	7 350 310	3 761 278	66.15	537 948	3 133	3 220 197	71.02
1 887 280	450 078	4 556 688	3 284 456	58.11	371 261	1 851	2 911 344	62.87
29 021 464	3 291 839	60 571 833	25 417 984	70.44	4 496 940	56 601	20 864 443	75.74
723 899	139 257	1 498 105	535 702	73.66	28 018	3 022	504 662	75.19
4 621 012	1 471 062	12 312 743	5 932 312	67.49	926 743	1 676	5 003 893	72.57
3 149 490	675 273	7 715 170	366 066	95.47	321 271	3 285	41 510	99.49
2 689 282	382 274	6 274 907	1 149 541	84.52	196 002	7 045	946 494	87.25
776 465	209 044	1 559 968	1 332 294	53.94	188 565	1 247	1 142 482	60.50
3 479 443	353 265	8 099 538	1 183 227	87.25	351 119	4 218	827 890	91.08
11 589 114	2 341 046	25 242 324	8 542 256	74.72	1 837 500	39 196	6 665 560	80.27
1 508 385	348 815	3 327 474	931 790	78.12	278 795	1 058	651 937	84.69

ailway Revenue to Railway Operating Revenue.

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Freight Revenues and Expenses

Year Ended December 31, 1924

Railroad	Freight revenue (account 101)	Total revenue assignable to freight service	Operating expenses assignable to freight service				
			M. of W. and S.	M. of E.	Transportation	Other expenses	Tota
Chicago & Alton	$21 675 681	$22 181 064	$3 078 236	$5 306 339	$8 342 191	$588 662	$17 315
C. & E. I.	19 381 436	19 690 729	1 957 509	6 187 116	7 970 738	1 040 613	17 155
C. & N. W.	103 516 754	107 114 420	15 519 478	23 286 134	42 401 670	4 000 715	85 207
C. B. & Q.	119 773 873	123 252 721	14 519 248	26 922 505	42 809 018	3 984 996	88 235
C. G. W.	18 764 368	19 142 862	2 739 092	3 491 625	7 701 678	987 544	14 919
C. M. & St. P.	120 070 603	123 953 456	16 836 510	24 917 399	45 490 363	3 984 541	91 228
C. St. P. M. & O.	20 019 002	20 337 617	2 701 257	3 931 016	9 031 336	832 277	16 495
Illinois Central	115 048 063	117 429 687	14 832 348	27 533 328	41 586 194	3 575 670	87 527
M. & St. L.	12 834 316	13 041 803	2 484 251	3 131 087	5 442 111	729 879	11 787
M. St. P. & S. S. M.	37 349 105	37 725 126	5 220 797	6 669 478	14 347 190	1 433 202	27 670
Q. O. & K. C.	702 609	708 565	249 292	126 916	319 133	27 538	722
Wabash	51 546 110	52 897 558	7 750 217	8 931 608	19 911 600	2 418 985	39 112
A. T. & S. F.	134 628 629	136 581 841	20 240 019	33 434 757	41 009 986	3 371 584	98 056
B. S. L. & W.	2 272 236	2 294 285	290 399	242 350	561 530	135 256	1 229
C. R. I. & G.	5 264 234	5 372 910	635 082	663 103	1 905 413	251 526	3 455
C. R. I. & P.	89 921 497	91 237 062	9 847 489	20 051 803	35 474 320	3 119 632	68 493
Ft. W. & D. C.	8 280 360	8 382 080	716 990	1 596 243	2 338 225	419 489	5 070
G. H. & S. A.	19 842 472	20 109 913	3 235 343	3 624 560	6 935 195	881 110	14 676
G. C. & S. F.	24 453 327	24 720 475	4 168 642	5 301 206	6 725 822	863 607	17 059
H. & S.	672 525	672 525	f 177 959	f 109 675	f 220 593	f 22 710	f 530
H. & T. C.	11 492 829	11 688 757	2 124 297	2 072 966	3 786 928	471 098	8 455
H. E. & W. T.	2 508 759	2 543 567	689 389	506 500	923 725	95 526	2 215
I. G. N.	12 673 345	13 258 906	2 172 968	2 170 088	4 618 642	453 379	9 415
K. C. M. & O.	2 165 415	2 185 726	374 988	460 530	842 047	131 529	1 809
K. C. M. & O. of Tex.	2 420 900	2 436 591	483 235	484 598	843 894	137 751	1 949
K. C. S.	14 443 792	15 289 425	2 128 793	2 918 692	4 750 502	1 146 144	10 944
K. O. & G.	1 994 665	2 009 400	445 771	290 333	687 373	205 730	1 629
K. O. & G. of Tex.	167 851	167 851	f 18 856	f 23 437	f 51 632	f 10 848	f 11

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Freight Revenues and Expenses

Year Ended December 31, 1924

Total revenue assignable to freight service	Operating expenses assignable to freight service					Net freight revenue	Net revenue assignable to freight service	Operating ratio
	M. of W. and S.	M. of E.	Transportation	Other expenses	Total			
181 064	$3 078 236	$5 306 339	$8 342 191	$588 662	$17 315 428	$4 360 253	$4 865 636	78.06%
690 729	1 957 509	6 187 116	7 970 738	1 040 613	17 155 976	2 225 460	2 534 753	87.13
114 420	15 519 478	23 286 134	42 401 670	4 000 715	85 207 997	18 308 757	21 906 423	79.55
252 721	14 519 248	26 922 505	42 809 018	3 984 996	88 235 767	31 538 106	35 016 954	71.59
142 862	2 739 092	3 491 625	7 701 678	987 544	14 919 939	3 844 429	4 222 923	77.94
953 456	16 836 510	24 917 399	45 490 363	3 984 541	91 228 813	28 841 790	32 724 643	73.60
337 617	2 701 257	3 931 016	9 031 336	832 277	16 495 886	3 523 116	3 841 731	81.11
429 687	14 832 348	27 533 328	41 586 194	3 575 670	87 527 540	27 520 523	29 902 147	74.54
041 803	2 484 251	3 131 087	5 442 111	729 879	11 787 328	1 046 988	1 254 475	90.38
725 126	5 220 797	6 669 478	14 347 190	1 433 202	27 670 667	9 678 438	10 054 459	73.35
708 565	249 292	126 916	319 133	27 538	722 879	d 20 270	d 14 314	102.02
897 558	7 750 217	8 931 608	19 911 600	2 418 985	39 112 410	12 433 700	13 785 148	73.94
581 841	20 240 019	33 434 757	41 009 986	3 371 584	98 056 346	36 572 283	38 525 495	71.79
294 285	290 399	242 350	561 530	135 256	1 229 535	1 042 701	1 064 750	53.59
372 910	635 082	663 103	1 905 413	251 526	3 455 124	1 809 110	1 917 786	64.31
237 062	9 847 489	20 051 803	35 474 320	3 119 632	68 493 244	21 428 253	22 743 818	75.07
382 080	716 990	1 596 243	2 338 225	419 489	5 070 947	3 209 413	3 311 133	60.50
109 913	3 235 343	3 624 560	6 935 195	881 110	14 676 208	5 166 264	5 433 705	72.98
720 475	4 168 642	5 301 206	6 725 822	863 607	17 059 277	7 394 050	7 661 198	69.01
672 525	f 177 959	f 109 675	f 220 593	f 22 710	f 530 937	141 588	141 588	78.95
688 757	2 124 297	2 072 966	3 786 928	471 098	8 455 289	3 037 540	3 233 468	72.34
543 567	689 389	506 500	923 725	95 526	2 215 140	293 619	328 427	87.09
258 906	2 172 968	2 170 088	4 618 642	453 379	9 415 077	3 258 268	3 843 829	71.01
185 726	374 988	460 530	842 047	131 529	1 809 094	356 321	376 632	82.77
436 591	483 235	484 598	843 894	137 751	1 949 478	471 422	487 113	80.01
289 425	2 128 793	2 918 692	4 750 502	1 146 144	10 944 131	3 499 661	4 345 294	71.58
009 400	445 771	290 333	687 373	205 730	1 629 207	365 458	380 193	81.08
167 851	f 18 856	f 23 437	f 51 632	f 19 843	f 113 768	54 083	54 083	67.78
742 527	835 083	536 016	1 327 023	209 381	2 907 503	745 397	835 024	77.00

K. O. & G.	1 994 665	2 009 400	445 771	290 333	687 373	205 730	1 62
K. O. & G. of Tex.	167 851	167 851	f 18 856	f 23 437	f 51 632	f 19 843	f 11
L. R. & N. Co.	3 652 900	3 742 527	835 083	536 016	1 327 023	209 381	2 90
L. R. & N. Co. of Tex.	1 103 787	1 117 048	168 485	132 344	421 399	79 020	80
La. Western	2 861 440	2 899 775	358 989	658 467	839 598	219 747	2 07
M. K. T.	26 468 310	26 848 705	3 225 490	5 202 146	6 733 532	1 166 013	16 32
M. K. T. of Tex.	15 863 394	16 193 474	2 185 802	2 619 763	5 629 714	829 155	11 26
Mo. Pac.	95 949 391	98 386 086	14 559 064	19 146 665	36 157 690	4 286 523	74 14
M. L. & T.	6 142 184	6 334 682	1 161 190	1 511 164	2 672 745	392 792	5 73
N. O. T. & M.	2 837 859	2 856 248	545 688	485 114	639 289	171 762	1 84
P. H. & S. F.	9 019 079	9 069 648	1 097 380	2 205 504	2 461 573	201 178	5 96
St. L. B. & M.	5 840 351	5 868 165	932 009	623 668	1 271 103	306 044	3 13
St. L. S. F.	62 048 394	63 390 293	8 065 048	12 868 525	21 294 075	2 228 243	44 45
St. L. S. F. & Tex.	1 777 371	1 793 754	254 462	278 706	610 102	101 895	1 24
St. L. S. W.	15 467 940	15 607 600	1 887 828	3 079 091	3 542 604	1 195 398	9 70
St. L. S. W. of Tex.	6 315 561	6 407 699	1 435 505	1 642 776	2 314 866	535 333	5 92
S. A. & A. P.	6 083 854	6 163 817	1 288 115	1 225 527	1 957 606	288 468	4 75
T. & Ft. S.	2 483 893	2 605 992	262 880	220 760	637 309	174 061	1 29
Texas & N. O.	6 747 985	6 890 040	1 551 111	1 757 030	2 688 524	107 961	6 10
Texas & Pacific	23 930 347	24 264 525	3 501 790	4 800 681	8 458 232	1 281 559	18 04
V. S. & P.	2 934 687	3 016 212	545 277	456 798	1 072 733	255 509	2 33

d—Deficit.

f—Separation of Operating Expenses not made by Class II Carriers. Proportion of each class of Operating Expenses assigned to Service in ratio of Freight Revenue to Total Operating Revenue.

400	445 771	290 333	687 373	205 730	1 629 207	365 458	380 193	81.08
851	f 18 856	f 23 437	f 51 632	f 19 843	f 113 768	54 083	54 083	67.78
527	835 083	536 016	1 327 023	209 381	2 907 503	745 397	835 024	77.69
048	168 485	132 344	421 399	79 020	801 248	302 539	315 800	71.73
775	358 989	658 467	839 598	219 747	2 076 801	784 639	822 974	71.62
705	3 225 490	5 202 146	6 733 532	1 166 013	16 327 181	10 141 129	10 521 524	60.81
474	2 185 802	2 619 763	5 629 714	829 155	11 264 434	4 598 960	4 929 040	69.56
086	14 559 064	19 146 665	36 157 690	4 286 523	74 149 942	21 799 449	24 236 144	75.37
682	1 161 190	1 511 164	2 672 745	392 792	5 737 891	404 293	596 791	90.58
248	545 688	485 114	639 289	171 762	1 841 853	996 006	1 014 395	64.49
648	1 097 380	2 205 504	2 461 573	201 178	5 965 635	3 053 444	3 104 013	65.78
165	932 009	623 668	1 271 103	306 044	3 132 824	2 707 527	2 735 341	53.39
293	8 065 048	12 868 525	21 294 075	2 228 243	44 455 891	17 592 503	18 934 402	70.13
754	254 462	278 706	610 102	101 895	1 245 165	532 206	548 589	69.42
600	1 887 828	3 079 091	3 542 604	1 195 398	9 704 921	5 763 019	5 902 679	62.18
699	1 435 505	1 642 776	2 314 866	535 333	5 928 480	387 081	479 219	92.52
817	1 288 115	1 225 527	1 957 606	288 468	4 759 716	1 324 138	1 404 101	77.22
992	262 880	220 760	637 309	174 061	1 295 010	1 188 883	1 310 982	49.69
040	1 551 111	1 757 030	2 688 524	107 961	6 104 626	643 359	785 414	88.60
525	3 501 790	4 800 681	8 458 232	1 281 559	18 042 262	5 888 085	6 222 263	74.36
212	545 277	456 798	1 072 733	255 509	2 330 317	604 370	685 895	77.26

Class II Carriers. Proportion of each class of Operating Expenses assigned to Freight Operating Revenue.

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Tons and Ton Miles Revenue Freight, Car Miles, and Average per
Per Ton Mile and per Car Mile

Year Ended December 31, 1924

	Freight tonnage and averages							re fr
	Tons revenue freight	Ton miles revenue freight	Average haul, miles	Revenue per ton	Revenue P. T. M. mills	Freight-car miles		
						Loaded	Empty	
Chicago & Alton	12 616 257	2 183 640 744	173	$1.716	09.93	90 670 163	53 858 494	
C. & E. I.	13 387 224	2 211 994 166	165	1.448	08.76	75 765 226	42 182 308	
C. & N. W.	52 158 316	8 290 312 710	159	1.985	12.49	420 324 100	243 733 471	
C. B. & Q.	42 778 294	12 287 747 806	287	2.800	09.75	518 356 626	306 655 232	
C. G. W.	6 587 565	1 944 028 953	295	2.848	09.65	94 728 338	48 718 856	
C. M. & St. P.	47 143 747	11 004 765 149	233	2.547	10.91	509 802 917	264 647 287	
C. St. P. M. & O.	10 567 741	1 638 715 336	155	1.894	12.22	76 924 124	33 289 269	
Illinois Central	49 040 926	13 063 939 704	266	2.346	08.81	539 988 645	301 934 303	
M. & St. L.	6 642 929	1 207 204 121	182	1.932	10.63	50 278 882	25 511 931	
M. St. P. & S. S. M.	15 820 453	3 407 219 070	215	2.361	10.96	156 523 728	69 138 740	
Q. O. & K. C.	475 649	39 833 002	84	1.477	17.64	1 922 385	1 020 347	
Wabash	19 289 805	4 920 973 835	255	2.672	10.47	236 102 291	101 341 209	
A. T. & S. F.	33 631 574	10 003 531 499	297	4.003	13.46	541 018 943	293 525 352	
B. S. L. & W.	1 769 491	179 723 499	102	1.284	12.64	7 786 356	4 710 487	
C. R. I. & G.	4 309 766	348 796 844	81	1.221	15.09	16 860 765	10 773 424	
C. R. I. & P.	29 180 016	7 504 404 167	257	3.082	11.98	391 100 108	194 324 532	
Ft. W. & D. C.	3 402 165	564 420 341	166	2.434	14.67	25 878 800	13 275 915	
G. H. & S. A.	8 238 654	1 740 768 089	211	2.408	11.40	79 278 413	35 808 570	
G. C. & S. F.	9 310 233	2 306 425 463	248	2.627	10.60	95 702 129	51 619 304	
H. & S.	720 456	29 275 357	41	0.933	22.97	1 238 733	505 337	
H. & T. C.	4 911 237	741 222 713	151	2.340	15.51	31 820 991	19 243 017	
H. E. & W. T.	1 645 133	142 711 829	87	1.525	17.58	6 717 957	3 612 166	
I. G. N.	4 429 176	721 963 934	163	2.861	17.55	39 894 886	19 162 372	
K. C. M. & O.	1 037 149	209 904 000	202	2.088	10.32	10 021 077	4 451 594	
K. C. M. & O. of Tex.	1 233 444	136 298 000	111	1.979	17.76	7 734 365	3 507 629	
K. C. S.	5 548 545	1 400 024 022	252	2.603	10.32	55 759 929	22 353 057	
K. O. & G.	1 436 062	140 315 000	98	1.389	14.22	5 857 262	2 758 699	
O. & G. of Tex.	418 654	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

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and Ton Miles Revenue Freight, Car Miles, and Average per Ton, Per Ton Mile and per Car Mile

Year Ended December 31, 1924

Revenue per ton	Revenue P. T. M. mills	Freight-car miles		Averages per loaded freight-car mile				Freight revenues and expenses per 1,000,000 net ton-miles		
		Loaded	Empty	Tons revenue freight	Revenue, cents	Expense, cents	Net Revenue, cents	Revenue	Expenses	Net revenue
$1.716	09.93	90 670 163	53 858 494	24.1	23.9	19.1	4.8	$9 926	$7 930	$1 996
1.448	08.76	75 765 226	42 182 308	29.2	25.6	22.7	2.9	8 762	7 756	1 006
1.985	12.49	420 324 100	243 733 471	19.7	24.7	20.3	4.4	12 486	10 278	2 208
2.800	09.75	518 356 626	306 655 232	23.7	23.1	17.0	6.1	9 747	7 181	2 566
2.848	09.65	94 728 338	48 718 856	20.5	19.8	15.8	4.0	9 652	7 675	1 977
2.547	10.91	509 802 917	264 647 287	21.6	23.6	17.9	5.7	10 911	8 290	2 621
1.894	12.22	76 924 124	33 289 269	21.3	26.0	21.4	4.6	12 216	10 066	2 150
2.346	08.81	539 988 645	301 934 303	24.2	21.3	16.2	5.1	8.807	6 700	2 107
1.932	10.63	50 278 882	25 511 931	24.0	25.5	23.5	2.0	10.631	9 764	867
2.361	10.96	156 523 728	69 138 740	21.8	23.9	17.7	6.2	10 962	8 121	2 841
1.477	17.64	1 922 385	1 020 347	20.7	36.5	37.6	d 1.1	17 639	18 148	d 509
2.672	10.47	236 102 291	101 341 209	20.8	21.8	16.6	5.2	10 475	7 948	2 527
4.003	13.46	541 018 943	293 525 352	18.5	24.9	18.1	6.8	13 458	9 802	3 656
1.284	12.64	7 786 356	4 710 487	23.1	29.2	15.8	13.4	12 643	6 841	5 802
1.221	15.09	16 860 765	10 773 424	20.7	31.2	20.5	10.7	15 093	9 906	5 187
3.082	11.98	391 100 108	194 324 532	19.2	23.0	17.5	5.5	11 982	9 127	2 855
2.434	14.67	25 878 800	13 275 915	21.8	32.1	19.6	12.5	14 671	8 984	5 687
2.408	11.40	79 278 413	35 808 570	22.0	25.0	18.5	6.5	11 399	8 431	2 968
2.627	10.60	95 702 129	51 619 304	24.1	25.6	17.9	7.7	11 602	7 396	3 206
0.933	22.97	1 238 733	505 337	23.6	54.3	42.9	11.4	22 972	18 136	4 836
2.340	15.51	31 820 991	19 243 017	23.3	36.1	26.6	9.5	15 505	11 407	4 098
1.525	17.58	6 717 957	3 612 166	21.2	37.3	33.0	4.3	17 579	15 522	2 057
2.861	17.55	39 894 886	19 162 372	18.1	31.8	23.6	8.2	17 554	13 041	4 513
2.088	10.32	10 021 077	4 451 594	21.0	21.6	18.1	3.5	10 316	8 619	1 697
1.979	17.76	7 734 365	3 507 629	17.6	31.3	25.2	6.1	17 762	14 303	3 459
2.603	10.32	55 759 929	22 353 057	25.1	25.9	19.6	6.3	10 317	7 817	2 500
1.389	14.22	5 857 262	2 758 699	24.0	34.1	27.8	6.3	14 216	11 611	2 605

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
K. C. M. & O.	1 037 149	209 904 000	202	2.088	10.32	10 021 077	4 451 594	2
K. C. M. & O. of Tex.	1 233 444	136 298 000	111	1.979	17.76	7 734 365	3 507 629	1
K. C. S.	5 548 545	1 400 024 022	252	2.603	10.32	55 759 929	22 353 057	2
K. O. & G.	1 436 062	140 315 000	98	1.389	14.22	5 857 262	2 758 699	2
H. O. & G. of Tex.	418 624	3 809 478	9	0.401	44.06	170 280	63 009	2
L. R. & N. Co.	2 092 928	271 752 415	130	1.745	13.44	11 236 701	6 618 821	2
L. R. &. N. Co. of Tex.	728 613	82 668 500	113	1.515	13.35	3 547 858	1 685 697	2
La. Western	3 768 443	254 652 018	68	0.759	11.24	10 413 144	5 370 931	2
M. K. T.	8 131 241	1 942 397 004	239	3.255	13.63	97 838 337	57 988 155	1
M. K. T. of Tex.	6 472 918	1 126 550 776	174	2.451	14.08	59 963 179	36 168 243	1
Mo. Pac.	36 713 004	8 773 081 103	239	2.614	10.94	396 750 008	198 712 436	2
M. L. & T.	3 751 799	429 790 513	115	1.637	14.29	18 792 730	8 952 988	2
N. O. T. & M.	2 245 313	246 580 543	110	1.264	11.51	10 176 893	5 604 444	2
P. H. & S. F.	3 898 847	770 920 884	198	2.313	11.70	44 934 871	21 529 377	1
St. L. B. & M.	1 676 717	365 593 838	218	3.483	15.97	19 287 568	12 735 327	1
St. L. S. F.	24 040 323	4 575 326 670	190	2.581	13.56	212 042 950	112 671 828	2
St. L. S. F. & Tex.	1 415 221	86 458 095	61	1.256	20.56	4 310 844	2 948 972	2
St. L. S. W.	3 987 400	1 067 913 752	268	3.879	14.48	55 141 335	19 324 530	1
St. L. S. W. of Tex.	2 875 384	355 522 611	124	2.196	17.76	19 200 324	9 935 187	1
S. A. & A. P.	2 298 710	281 287 183	122	2.647	21.63	15 333 975	8 979 449	1
T. & Ft. S.	4 311 626	142 221 415	33	0.576	17.46	4 941 465	2 669 680	2
Texas & N. O.	5 776 302	498 085 219	86	1.168	13.55	24 261 562	14 468 793	2
Texas & Pacific	9 394 609	1 616 722 258	172	2.547	14.80	86 903 023	44 520 858	1
V. S. & P.	2 233 726	184 463 773	83	1.314	15.91	8 057 000	4 282 000	2

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.088	10.32	10 021 077	4 451 594	21.0	21.6	18.1	3.5	10 316	8 619	1 697
1.979	17.76	7 734 365	3 507 629	17.6	31.3	25.2	6.1	17 762	14 303	3 459
2.603	10.32	55 759 929	22 353 057	25.1	25.9	19.6	6.3	10 317	7 817	2 500
1.389	14.22	5 857 262	2 758 699	24.0	34.1	27.8	6.3	14 216	11 611	2 605
0.401	44.06	170 280	63 009	22.4	98.6	66.8	31.8	44 061	29 864	14 197
1.745	13.44	11 236 701	6 618 821	24.2	32.5	25.9	6.6	13 441	10 699	2 742
1.515	13.35	3 547 858	1 685 697	22.7	31.1	22.6	8.5	13 352	9 692	3 660
0.759	11.24	10 413 144	5 370 931	24.5	27.5	19.9	7.6	11 237	8 155	3 082
3.255	13.63	97 838 337	57 988 155	19.9	27.1	16.7	10.4	13 619	8 401	5 218
2.451	14.08	59 963 179	36 168 243	18.8	26.5	18.8	7.7	14 082	9 999	4 083
2.614	10.94	396 750 008	198 712 436	22.1	24.2	18.7	5.5	10 937	8 452	2 485
1.637	14.29	18 792 730	8 952 988	22.9	32.7	30.5	2.2	14 291	13 350	941
1.264	11.51	10 176 893	5 604 444	24.2	27.8	18.1	9.7	11 509	7 470	4 039
2.313	11.70	44 934 871	21 529 377	17.2	20.1	13.3	6.8	11 699	7 738	3 961
3.483	15.97	19 287 568	12 735 327	19.0	30.3	16.2	14.1	15 975	8 569	7 406
2.581	13.56	212 042 950	112 671 828	21.6	29.3	21.0	8.3	13 562	9 716	3 846
1.256	20.56	4 310 844	2 948 972	20.1	41.2	28.9	12.3	20 558	14 402	6 156
3.879	14.48	55 141 335	19 324 530	19.4	28.1	17.6	10.5	14 484	9 088	5 396
2.196	17.76	19 200 324	9 935 187	18.5	32.9	30.9	2.0	17 764	16 674	1 090
2.647	21.63	15 333 975	8 979 449	18.3	39.7	31.0	8.7	21 629	16 921	4 708
0.576	17.46	4 941 465	2 669 680	28.8	50.3	26.2	24.1	17 465	9 106	8 359
1.168	13.55	24 261 562	14 468 793	20.5	27.8	25.2	2.6	13 547	12 255	1 292
2.547	14.80	86 903 023	44 520 858	18.6	27.5	20.8	6.7	14 802	11 160	3 642
1.314	15.91	8 057 000	4 282 000	22.9	36.4	28.9	7.5	15 909	12 633	3 276

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Averages per Mile of Road

Year Ended December 31, 1924

Railroad	Ton-miles revenue, freight	Operating revenues	Railway operating expenses					Net operating revenue
			M. of W. and S.	M. of E.	Transportation	Other expenses	Total	
Chicago & Alton	2 077 956	$29 361	$3 968	$6 672	$10 777	$1 320	$22 737	$6 624
C. & E. I.	2 340 413	27 582	2 756	8 282	11 012	1 707	23 757	3 825
C. & N. W.	979 615	17 660	2 666	3 614	7 148	815	14 243	3 417
C. B. & Q.	1 306 203	17 293	2 064	3 697	6 145	846	12 752	4 541
C. G. W.	1 299 432	16 528	2 461	3 159	6 837	1 071	13 528	3 000
C. M. & St. P.	1 001 624	14 414	2 043	3 105	5 632	647	11 427	2 986
C. St. P. M. & O.	936 842	15 959	2 125	2 902	6 882	777	12 686	3 273
Illinois Central	2 693 740	31 282	4 187	7 334	11 432	1 346	24 299	6 983
M. & St. L.	732 856	9 165	1 847	2 340	4 114	530	8 831	334
M. St. P. & S. S. M.	773 923	10 890	1 563	1 964	4 309	526	8 362	2 528
Q. O. & K. C.	158 798	4 193	1 485	746	2 082	170	4 483	d 290
Wabash	1 976 350	26 419	3 982	4 650	10 030	1 539	20 201	6 218
A. T. & S. F.	1 102 973	21 409	3 293	4 849	6 687	733	15 562	5 847
B. S. L. & W.	1 513 461	23 225	3 341	2 667	6 701	1 622	14 331	8 894
C. R. I. & G.	756 232	14 512	1 913	1 760	5 531	861	10 065	4 447
C. R. I. & P.	985 935	16 316	1 866	3 564	6 468	789	12 687	3 629
Ft. W. & D. C.	1 236 030	24 462	2 078	4 450	6 734	1 409	14 671	9 791
C. H. & S. A.	1 261 792	19 103	3 006	3 458	6 471	1 276	14 211	4 892
G. C. & S. F.	1 208 261	15 782	2 856	3 287	4 618	671	11 432	4 350
H. & S.	718 590	19 922	5 272	3 249	6 535	672	15 728	4 194
H. & T. C.	797 777	16 820	3 225	2 923	5 471	890	12 509	4 311
H. E. & W. T.	744 843	16 711	4 538	3 541	5 863	718	14 660	2 051
I. G. N.	622 651	14 576	2 579	2 587	5 271	737	11 173	3 403
F. C. M. & O.	771 139	8 678	1 564	2 075	3 539	519	7 697	981
K. C. M. & O. of Tex.	292 642	5 725	1 171	1 210	2 056	320	4 757	968
K. C. S.	1 811 133	23 456	3 451	4 643	7 785	1 839	17 718	5 738
K. O. & G.	446 266	6 948	1 679	1 101	2 622	718	6 120	828
K. O. & G. of Tex.	418 623	19 011	2 136	2 655	5 848	2 247	12 886	6 125
L. R. & N. Co.	802 505	12 238	3 233	2 073	4 928	722	10 951	1 287

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Averages per Mile of Road

Year Ended December 31, 1924

Operating revenues	Railway operating expenses					Net operating revenue	Railway operating income	Freight proportion of total operating revenue	Operating expenses, freight	Net freight revenue
	M. of W. and S.	M. of E.	Transportation	Other expenses	Total					
$29 361	$3 968	$6 672	$10 777	$1 320	$22 737	$6 624	$5 436	$21 108	$16 477	$4 631
27 582	2 756	8 282	11 012	1 707	23 757	3 825	2 281	20 834	18 152	2 682
17 660	2 666	3 614	7 148	815	14 243	3 417	2 305	12 657	10 068	2 589
17 293	2 064	3 697	6 145	846	12 752	4 541	3 401	13 102	9 380	3 722
16 528	2 461	3 159	6 837	1 071	13 528	3 000	2 365	12 796	9 973	2 823
14 414	2 043	3 105	5 632	647	11 427	2 986	2 155	11 282	8 303	2 979
15 959	2 125	2 902	6 882	777	12 686	3 273	2 342	11 627	9 431	2 196
31 282	4 187	7 334	11 432	1 346	24 299	6 983	4 635	24 214	18 048	6 166
9 165	1 847	2 340	4 114	530	8 831	334	d 118	7 917	7 155	762
10 890	1 563	1 964	4 309	526	8 362	2 528	1 824	8 569	6 285	2 284
4 193	1 485	746	2 082	170	4 483	d 290	d 510	2 825	2 882	57
26 419	3 982	4 650	10 030	1 539	20 201	6 218	4 993	21 245	15 709	5 536
21 409	3 293	4 849	6 687	733	15 562	5 847	4 061	15 059	10 812	4 247
23 225	3 341	2 667	6 701	1 622	14 331	8 894	8 207	19 320	10 354	8 966
14 512	1 913	1 760	5 531	861	10 065	4 447	4 112	11 649	7 491	4 158
16 316	1 866	3 564	6 468	789	12 687	3 629	2 779	11 987	8 999	2 988
24 462	2 078	4 450	6 734	1 409	14 671	9 791	8 405	18 356	11 105	7 251
19 103	3 006	3 458	6 471	1 276	14 211	4 892	4 248	14 577	10 638	3 939
15 782	2 856	3 287	4 618	671	11 432	4 350	3 796	12 950	8 937	4 013
19 922	5 272	3 249	6 535	672	15 728	4 194	3 351	16 508	13 032	3 476
16 820	3 225	2 923	5 471	890	12 509	4 311	3 490	12 581	9 101	3 480
16 711	4 538	3 541	5 863	718	14 660	2 051	1 544	13 276	11 562	1 714
14 576	2 579	2 587	5 271	737	11 173	3 403	2 922	11 435	8 120	3 315
8 678	1 564	2 075	3 539	519	7 697	981	866	8 030	6 646	1 384
5 725	1 171	1 210	2 056	320	4 757	968	820	5 232	4 186	1 046
23 456	3 451	4 643	7 785	1 839	17 718	5 738	4 319	19 779	14 158	5 621
6 948	1 679	1 101	2 622	718	6 120	828	416	6 391	5 182	1 209
19 011	2 136	2 655	5 848	2 247	12 886	6 125	5 823	18 445	12 502	5 943
12 238	3 233	2 073	4 923	722	10 951	1 287	552	11 052	8 586	2 466
6 529	1 194	893	2 909	480	5 476	1 053	729	5 490	3 898	1 592

K. O. & G. of Tex.	418 623	19 011	2 136	2 655	5 848	2 247	12 886	6 125	5 8
L. R. & N. Co.	802 505	12 238	3 233	2 073	4 923	722	10 951	1 287	5
L. R. & N. Co. of Tex.	401 148	6 529	1 194	893	2 909	480	5 476	1 053	7
La. Western	1 225 821	20 204	2 595	3 891	5 965	1 974	14 425	5 779	4 0
M. K. T.	1 076 788	19 119	2 446	4 318	5 144	1 040	12 948	6 171	4 7
M. K. T. of Tex.	810 900	16 427	2 269	2 682	5 820	1 016	11 787	4 640	4 1
Mo. Pac.	1 192 000	16 800	2 570	3 511	6 349	949	13 379	3 421	2 7
M. L. & T.	1 072 680	21 097	3 932	4 786	8 548	1 692	18 958	2 139	6
N. O. T. & M.	1 289 512	17 716	3 644	3 237	4 237	1 234	12 352	5 364	4 0
P. H. & S. F.	897 996	12 943	1 622	2 948	3 652	340	8 562	4 381	3 7
St. L. B. & M.	664 450	14 251	2 355	1 679	3 430	818	8 282	5 969	5 2
St. L. S. F.	961 048	18 062	2 308	3 628	6 096	691	12 723	5 339	4 3
St. L. S. F. & Tex.	626 735	14 743	2 196	2 407	5 248	1 009	10 860	3 883	3 6
St. L. S. W.	1 101 158	18 813	2 469	3 945	4 765	1 517	12 696	6 117	5 1
St. L. S. W. of Tex.	440 439	10 011	2 277	2 542	3 902	837	9 558	453	
S. A. & A. P.	380 447	10 042	2 203	2 130	3 637	517	8 487	1 555	1 2
T. & Ft. S.	1 754 088	35 672	3 760	3 325	9 577	2 578	19 240	16 432	14 0
Texas & N. O.	980 579	18 275	3 997	4 404	6 850	695	15 946	2 329	1 6
Texas & Pacific	827 925	17 301	2 479	3 314	5 935	1 199	12 927	4 374	3 4
V. S. & P.	978 795	22 600	4 324	3 477	8 004	1 851	17 656	4 944	3 4

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23	19 011	2 136	2 655	5 848	2 247	12 886	6 125	5 823	18 445	12 502	5 943
05	12 238	3 233	2 073	4 923	722	10 951	1 287	552	11 052	8 586	2 466
48	6 529	1 194	893	2 909	480	5 476	1 053	729	5 420	3 888	1 532
21	20 204	2 595	3 891	5 965	1 974	14 425	5 779	4 002	13 959	9 997	3 962
88	19 119	2 446	4 318	5 144	1 040	12 948	6 171	4 716	14 884	9 051	5 833
00	16 427	2 269	2 682	5 820	1 016	11 787	4 640	4 191	11 656	8 108	3 548
00	16 800	2 570	3 511	6 349	949	13 379	3 421	2 778	13 368	10 075	3 293
80	21 097	3 932	4 786	8 548	1 692	18 958	2 139	603	15 810	14 321	1 489
12	17 716	3 644	3 237	4 237	1 234	12 352	5 364	4 003	14 937	9 632	5 305
96	12 943	1 622	2 948	3 652	340	8 562	1 381	3 750	10 565	6 949	3 616
50	14 251	2 355	1 679	3 430	818	8 282	5 969	5 291	10 665	5 694	4 971
48	18 062	2 308	3 628	6 096	691	12 723	5 339	4 383	13 315	9 338	3 977
35	14 743	2 196	2 407	5 248	1 009	10 860	3 883	3 658	13 003	9 026	3 977
58	18 813	2 469	3 945	4 765	1 517	12 696	6 117	5 160	16 093	10 007	6 086
39	10 011	2 277	2 542	3 902	837	9 558	453	51	7 938	7 344	594
47	10 042	2 203	2 130	3 637	517	8 487	1 555	1 280	8 337	6 438	1 899
38	35 672	3 760	3 325	9 577	2 578	19 240	16 432	14 091	32 141	15 972	16 169
79	18 275	3 997	4 404	6 850	695	15 946	2 329	1 630	13 564	12 018	1 546
25	17 301	2 479	3 314	5 935	1 199	12 927	4 374	3 413	12 426	9 240	3 186
45	22 600	4 324	3 477	8 004	1 851	17 656	4 944	3 459	16 005	12 365	3 640

Freight Train and Locomotive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles) and Averages Per Freight Train Mile

Year Ended December 31, 1924

	Train and Locomotive Miles					Average		
	Freight train miles	Freight train locomotive miles	Train switching locomotive miles	Yard switching locomotive miles	Train locomotive miles	Car Miles		
						Loaded	Empty	Total
Chicago & Alton	3 922 277	4 051 097	208 724	1 716 438	1.033	23.1	13.7	36.8
C. & E. I.	2 909 013	2 990 156	194 025	1 900 816	1.028	26.0	14.5	40.5
C. & N. W.	18 623 272	19 565 286	673 544	9 970 530	1.051	22.6	13.1	35.7
C. B. & Q.	19 018 826	20 590 147	907 844	8 989 284	1.083	27.3	16.1	43.4
C. G. W.	3 258 149	3 903 298	264 380	1 460 173	1.198	29.1	15.0	44.1
C. M. & St. P.	18 976 895	20 599 768	2 039 580	10 025 490	1.086	26.9	13.9	40.8
C. St. P. M. & O.	4 007 359	4 507 259	427 776	1 979 185	1.125	19.2	8.3	27.5
Illinois Central	19 105 693	19 769 456	933 933	8 619 995	1.035	28.3	15.8	44.1
M. & St. L.	2 804 945	3 150 615	203 999	801 186	1.123	17.9	9.1	27.0
M. St. P. & S. S. M.	6 645 754	6 877 548	249 533	2 321 148	1.035	23.5	10.4	33.9
Q. O. & K. C.	171 887	203 300	5 316	11 722	1.183	11.2	5.9	17.1
Wabash	7 838 403	8 325 744	468 781	3 695 354	1.062	30.1	12.9	43.0
A. T. & S. F.	18 536 430	20 947 980	565 564	7 367 349	1.130	29.2	15.8	45.0
B. S. L. & W.	217 391	219 807	16 770	32 958	1.011	35.8	21.7	47.5
C. R. I. & G.	898 499	918 165	17 052	264 531	1.022	18.8	12.0	30.8
C. R. I. & P.	16 778 874	17 298 750	1 023 805	6 234 178	1.031	23.3	11.6	34.9
Ft. W. & D. C.	965 762	983 120	76 824	477 323	1.018	26.8	13.7	40.5
G. H. & S. A.	3 167 990	3 186 323	164 659	779 440	1.006	24.2	11.3	35.5
G. C. & S. F.	3 339 992	3 556 049	176 284	921 539	1.065	28.7	15.5	44.2
H. & S.	95 731	96 171	18 276	50 404	1.005	12.9	5.3	18.2
H. & T. C.	1 625 338	1 665 811	68 906	556 148	1.025	19.6	11.8	31.4
H. E. & W. T.	471 183	473 978	123 392	41 790	1.006	14.3	7.7	22.0
I. G. N.	1 822 497	1 860 670	138 678	896 918	1.021	21.9	10.5	32.4
K. C. M. & O.	542 292	550 740	19 950	118 578	1.016	18.5	8.2	26.7
K. C. M. & O. of Tex.	585 111	592 592	35 376	82 290	1.013	13.2	6.0	19.2
K. C. S.	1 808 589	1 937 858	41 787	877 264	1.071	30.8	12.4	43.2
K. O. & G.	355 284	355 501	19 502	103 792	1.001	16.5	7.8	24.3

ive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles); Switching Locomotive Miles, and Averages Per Freight Train Mile

Year Ended December 31, 1924

Train and Locomotive Miles				Average per Freight Train Mile						
Freight train locomotive miles	Train switching locomotive miles	Yard switching locomotive miles	Train locomotive miles	Car Miles			Tons revenue freight	Revenue	Expenses	Net revenue
				Loaded	Empty	Total				
4 051 097	208 724	1 716 438	1.033	23.1	13.7	36.8	557	$5.53	$4.42	$1.11
2 990 156	194 025	1 900 816	1.028	26.0	14.5	40.5	760	6.66	5.90	.76
19 565 286	673 544	9 970 530	1.051	22.6	13.1	35.7	445	5.56	4.58	.98
20 590 147	907 844	8 989 284	1.083	27.3	16.1	43.4	646	6.30	4.64	1.66
3 903 298	264 380	1 460 173	1.198	29.1	15.0	44.1	597	5.75	4.58	1.17
20 599 768	2 039 580	10 025 490	1.086	26.9	13.9	40.8	580	6.33	4.81	1.52
4 507 259	427 776	1 979 185	1.125	19.2	8.3	27.5	409	5.00	4.12	.88
19 769 456	933 933	8 619 995	1.035	28.3	15.8	44.1	683	6.02	4.58	1.44
3 150 615	203 999	801 186	1.123	17.9	9.1	27.0	430	4.58	4.20	.38
6 877 548	249 533	2 321 148	1.035	23.5	10.4	33.9	513	5.62	4.16	1.46
203 300	5 316	11 722	1.183	11.2	5.9	17.1	232	4.09	4.21	d .12
8 325 744	468 781	3 695 354	1.062	30.1	12.9	43.0	628	6.58	4.99	1.59
20 947 980	565 564	7 367 349	1.130	29.2	15.8	45.0	540	7.26	4.29	1.97
219 807	16 770	32 958	1.011	35.8	21.7	47.5	827	10.45	5.66	4.79
918 165	17 052	264 531	1.022	18.8	12.0	30.8	388	5.86	3.85	2.01
17 298 750	1 023 805	6 234 178	1.031	23.3	11.6	34.9	447	5.36	4.08	1.28
983 120	76 824	477 323	1.018	26.8	13.7	40.5	584	8.57	5.25	3.32
3 186 323	164 659	779 440	1.006	24.2	11.3	35.5	549	6.26	4.63	1.63
3 556 049	176 284	921 539	1.065	28.7	15.5	44.2	691	7.32	5.11	2.21
96 171	18 276	50 404	1.005	12.9	5.3	18.2	306	7.03	5.55	1.48
1 665 811	68 906	556 148	1.025	19.6	11.8	31.4	456	7.07	5.20	1.87
473 978	123 392	41 790	1.006	14.3	7.7	22.0	303	5.32	4.70	.62
1 860 670	138 678	896 918	1.021	21.9	10.5	32.4	396	6.95	5.17	1.78
550 740	19 950	118 578	1.016	18.5	8.2	26.7	387	3.99	3.34	.65
592 592	35 376	82 290	1.013	13.2	6.0	19.2	233	4.14	3.33	.81
1 937 858	41 787	877 264	1.071	30.8	12.4	43.2	774	7.99	6.05	1.94
355 501	19 502	103 792	1.001	16.5	7.8	24.3	395	5.61	4.58	1.03

K. C. M. & O. of Tex.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
K. C. S.	1 808 589	1 937 858	41 787	877 264	1.071	30.8	12.4	43.2
K. O. & G.	355 284	355 501	19 502	103 792	1.001	16.5	7.8	24.3
K. O. & G. of Tex.	9 792	9 792	.....	18 306	1.000	17.4	6.4	23.8
L. R. & N. Co.	558 173	561 503	2 199	314 846	1.006	20.1	11.8	31.9
L. R. & N. Co. of Tex.	272 193	273 374	19 001	72 474	1.004	13.0	6.2	19.2
La. Western	350 826	355 652	31 110	92 538	1.014	29.7	15.3	45.0
M. K. T.	2 945 150	3 023 953	138 156	1 138 932	1.027	33.2	19.7	52.9
M. K. T. of Tex.	2 374 780	2 507 317	276 780	963 582	1.056	25.2	15.2	40.4
Mo. Pac.	15 473 380	16 212 702	1 266 375	6 184 144	1.048	25.6	12.8	38.4
M. L. & T.	691 714	709 070	99 312	680 876	1.025	27.2	12.9	40.1
N. O. T. & M.	293 763	299 601	27 669	133 076	1.020	34.6	19.1	53.7
P. H. & S. F.	1 329 305	1 405 542	2 184	199 713	1.057	33.8	16.2	50.0
St. L. B. & M.	666 011	669 948	97 974	104 874	1.006	29.0	19.1	48.1
St. L. S. F.	10 150 799	10 550 773	1 274 173	3 780 758	1.039	20.9	11.1	32.0
St. L. S. F. & Tex.	223 758	226 370	22 758	113 655	1.012	19.3	13.2	32.5
St. L. S. W.	1 658 918	1 682 668	82 795	463 107	1.014	33.2	11.6	44.8
St. L. S. W. of Tex.	1 134 282	1 157 740	139 770	387 914	1.021	16.9	8.8	25.7
S. A. & A. P.	1 067 896	1 114 264	134 978	238 768	1.043	14.4	8.4	22.8
T. & Ft. S.	166 760	169 506	3 458	173 456	1.016	29.6	16.0	45.6
Texas & N. O.	1 143 834	1 148 328	80 080	926 974	1.004	21.2	12.6	33.8
Texas & Pacific	3 591 694	3 626 262	250 116	1 436 408	1.010	24.2	12.4	36.6
V. S. & P.	406 914	413 051	29 298	255 304	1.015	19.8	10.5	30.3

d—Deficit.

589	1 937 858	41 787	877 264	1.071	30.8	12.4	43.2	774	7.99	6.05	1.94
284	355 501	19 502	103 792	1.001	16.5	7.8	24.3	395	5.61	4.58	1.03
792	9 792	.....	18 306	1.000	17.4	6.4	23.8	389	17.14	11.62	5.52
173	561 503	2 199	314 846	1.006	20.1	11.8	31.9	487	6.54	5.21	1.33
193	273 374	19 001	72 474	1.004	13.0	6.2	19.2	304	4.06	2.94	1.12
326	355 652	31 110	92 538	1.014	29.7	15.3	45.0	726	8.16	5.92	2.24
150	3 023 953	138 156	1 138 932	1.027	33.2	19.7	52.9	660	8.99	5.54	3.45
780	2 507 317	276 780	963 582	1.056	25.2	15.2	40.4	474	6.68	4.74	1.94
380	16 212 702	1 266 375	6 184 144	1.048	25.6	12.8	38.4	567	6.20	4.79	1.41
714	709 070	99 312	680 876	1.025	27.2	12.9	40.1	621	8.88	8.30	.58
763	299 601	27 669	133 076	1.020	34.6	19.1	53.7	839	9.66	6.27	3.39
305	1 405 542	2 184	199 713	1.057	33.8	16.2	50.0	580	6.78	4.49	2.29
011	669 948	97 974	104 874	1.006	29.0	19.1	48.1	549	8.77	4.71	4.06
799	10 550 773	1 274 173	3 780 758	1.039	20.9	11.1	32.0	451	6.11	4.38	1.73
758	226 370	22 758	113 655	1.012	19.3	13.2	32.5	386	7.94	5.56	2.38
918	1 682 668	82 795	463 107	1.014	33.2	11.6	44.8	644	9.32	5.85	3.47
282	1 157 740	139 770	387 914	1.021	16.9	8.8	25.7	313	5.57	5.23	.34
906	1 114 264	134 978	238 768	1.043	14.4	8.4	22.8	263	5.70	4.46	1.24
760	169 506	3 458	173 456	1.016	29.6	16.0	45.6	853	14.89	7.76	7.13
384	1 148 328	80 080	926 974	1.004	21.2	12.6	33.8	435	5.90	5.34	.56
304	3 626 262	250 116	1 436 408	1.010	24.2	12.4	36.6	450	6.66	5.02	1.64
914	413 051	29 298	255 304	1.015	19.8	10.5	30.3	453	7.21	5.73	1.48

[fol. 277] I have included in addition to roads respondent in this proceeding three additional railroads, the Kansas, Oklahoma & Gulf Railway of Texas, the Louisiana Railroad & Navigation Company of Texas, and the Texarkana & Fort Smith Railway. The reason for adding these three roads is that they comprise parts of systems, and the parent or principal line was a respondent, and I deemed it advisable to include these three smaller roads with the parent companies forming separate systems, and in drawing up this exhibit I have omitted those respondents that are not in the territory within which the divisions here in issue are in effect (Tr. 4363).

The exhibit shows the reports which are included. The data on the exhibit was taken from reports filed by the railroad with the Interstate Commerce Commission, except certain averages that are matters of computation (Tr. 4364).

Page 2 is the first page on which these statistics appear and shows the railway operating revenues and expenses for the year 1924 for each of the railroads. It shows the average miles operated, the railway operating revenue, and railway operating expenses divided as between maintenance of way and structures, maintenance of equipment, transportation and other expenses, the net operating revenue, which is the amount remaining after deducting the operating expenses from the operating revenue and the ratio of operating expenses to operating revenue.

Then follow the railway tax accruals, uncollectable railway revenue, the railway operating income, which is the amount remaining after deducting from railway operating revenue the railway operating expenses, taxes, accruals and uncollectable revenue.

[fol. 278] And, finally, at the right of the sheet—in the column at the right of the sheet, the ratio of the total expense, that is, operating expense, taxes and uncollectable revenue to railway operating revenue (Tr. 4364-4365).

On page 3 I have shown freight revenue and expenses. The first column shows freight revenue, that is, the revenues reported under Account 101.

The second column of figures is the total revenue assignable to freight service. That includes freight revenue, Account 101, and such miscellaneous revenue as switching,

storage, demurrage, and so forth, as shown on page 302 of the annual report to the Commission, the operating expenses assignable to freight service are those so reported as either directly accruing in freight service or proportioned to freight service in accordance with the formula prescribed by the Interstate Commerce Commission for stating these accounts (Tr. 4365).

The net freight revenue is the difference between the freight revenue and the freight operating expense. The net revenue assignable to freight service is the amount remaining after deducting from total revenue assignable to freight service the freight operating expenses.

The operating ratio as shown on page 3 of this exhibit is the ratio of expense assignable to freight service to total revenue assignable to freight service.

In a few cases, such as the H. & S. and the K. O. & G. of Texas, the reports do not separate operating expenses as between freight and other services, that not being required of class 2 carriers.

[fol. 279] In these particular instances, as explained by the footnote at the bottom of the page, I have divided the operating expenses by assigning to freight the proportion equal to the percentage that freight revenue represents of total railway operating revenue.

On page 3 of the exhibit I have set out tons of revenue freight carried, the tons carried one mile, the average haul, the revenue per ton, and the revenue per ton mile. Following that are the freight car miles as shown by the reports to the Commission and averages per freight car mile, both as to tons of revenue freight carried, freight revenue, operating expenses, and net freight revenue.

The tons of revenue freight represent the result obtained by dividing the total loaded freight car miles into the ton miles of revenue freight. That is a little less than the average loading per car of revenue freight, for the reason that freight car miles are not separated as between car miles accruing in revenue freight service or non-revenue service.

The revenue is obtained by dividing the freight revenue account 101 by the loaded freight car miles, and that, too, will be a little less than the average revenue per loaded freight car mile employed in revenue freight service.

The same comment is true of the expenses. As the revenue freight car miles are not separately reported, it is, of course, not possible to make the comparison in any different way than I have done (Tr. 4365-4366-4367).

[fol. 280] The last three columns show the freight revenue account 101, the freight operating expenses and the net revenue per one million revenue ton miles. These figures are computations made by me from the data shown on page 4 as to ton miles revenue freight, and on page 3 as to freight revenue and freight operating expenses (Tr. 4367).

On page 5 are shown averages per mile of road. These averages are obtained by dividing the data shown on the preceding pages by the average miles of road operated.

Page 6 contains data as to freight train and locomotive miles, switching locomotive miles, and averages per freight train mile. The freight train miles shown in the first column of figures at the left of the page are the miles of freight trains plus a proportion of the miles of mixed trains. The mixed train miles being proportioned between freight and other services in the ratio of freight service cars carried in mixed trains to total cars carried in mixed trains.

The freight train locomotive miles similarly include a corresponding percentage of locomotive miles run in mixed trains.

The trainswitching locomotive miles and the freight yard switching locomotive miles shown on page 8 of the exhibit are the figures reported under those headings in the annual reports to the Commission (Tr. 4367-4368).

Next are the averages per freight train mile. The first column shows the train locomotive miles, that is, the ratio of train locomotive miles in freight service to freight train miles, including a proportion of mixed train miles and indicate the extent to which locomotive miles occur in excess of train miles.

The average cars, loaded and empty, carried per average [fol. 281] train are obtained by dividing the train miles into the car miles; similarly, the tons of revenue freight are obtained by dividing the total ton miles of revenue freight by the train miles and freight revenues and expenses and net road revenues are obtained by dividing the

train miles into the revenues, expenses and net revenue (Tr. 4368).

The reason why the revenues of the Southwestern lines are greater than that of the western trunk lines on page 4 will appear a little more clearly from another exhibit (Tr. 4368).

Exhibit A-52 is a statement of operating and traffic statistics and averages for the year ended December 31, 1923. It is similar to exhibit A-51 which I have just described, with this exception: On page 2 the data in all respects is the same except that a different year is used, but on page 3 I have shown only the freight revenue, account 101, and this exhibit does not show the total revenue assignable to freight service, that is, the freight revenue plus the revenues derived from switching, demurrage and other miscellaneous service.

Exhibit A-52 was received in evicence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-52, side folios 282, 283, 284, 285, and 286)

[fol. 282]

EXHIBIT No. A-52
Witness: Parsons
Page 2
1923
I. C. C. Docket 15234
Railway Operating Revenues and E
Year Ended December 31, 19

Railroad	Average miles operated	Railway operating revenue	Railway operating expenses			
			M. of W. and S.	M. of E.	Transportation	Other expenses
Chicago & Alton	1 050.40	$33 588 194	$4 558 105	$8 102 878	$11 393 592	$1 334 654
C. & E. I.	945.13	28 405 408	3 144 876	8 694 382	10 948 327	1 491 527
C. & N. W.	8 462.53	160 425 965	23 368 264	35 920 062	66 508 611	6 710 594
C. B. & Q.	9 401.41	171 270 661	21 984 557	40 654 336	63 395 808	8 255 678
C. G. W.	1 496.06	25 723 707	3 791 296	5 238 113	10 806 237	1 595 370
C. M. & St. P.	11 010.74	169 628 338	23 063 613	38 375 029	66 545 638	7 014 948
C. St. P. M. & O.	1 749.19	28 363 234	3 653 661	5 678 518	12 818 667	1 365 301
Illinois Central	4 840.25	165 626 982	24 406 198	39 445 189	61 989 250	6 588 594
M. & St. L.	1 649.90	16 524 961	2 316 413	3 809 660	7 325 680	837 038
M. St. P. & S. S. M.	4 396.49	49 345 337	6 466 681	8 667 124	20 282 439	2 198 890
Q. O. & K. C.	250.84	1 250 380	427 375	239 179	603 624	36 569
Wabash	2 476.59	66 617 636	9 501 515	13 884 271	24 997 690	3 650 019
A. T. & S. F.	8 956.97	203 311 792	27 684 154	48 967 937	62 309 672	6 725 509
B. S. L. & W.	118.75	2 532 908	312 660	301 938	771 979	156 319
C. R. I. & G.	461.23	5 774 646	877 737	885 778	2 601 534	352 194
C. R. I. & P.	7 635.13	124 628 440	14 791 715	28 267 888	51 501 773	5 711 517
Ft. W. & D. C.	456.31	9 625 851	959 563	2 138 437	2 941 729	617 900
G. H. & S. A.	1 379.85	23 982 900	4 446 145	5 316 805	9 139 120	1 402 878
G. C. & S. F.	1 908.89	25 604 899	4 421 318	5 926 951	8 369 942	1 227 812
H. & S.	40.74	777 335	81 251	94 467	225 031	31 474
H. & T. C.	923.17	14 693 191	2 813 449	2 775 363	5 031 405	822 832
H. E. & W. T.	191.60	3 194 943	781 572	649 394	1 229 390	139 421
I. G. N.	1 159.50	15 806 608	2 965 152	2 742 532	5 879 493	955 456
K. C. M. & O.	272.20	1 846 240	441 168	347 544	864 842	126 353
K. C. M. & O. of Tex.	465.75	1 815 888	310 448	391 388	857 864	130 530
K. C. S.	767.60	19 594 128	3 235 944	4 010 928	6 636 150	1 302 958
K. O. & G.	314.42	2 489 370	486 644	287 319	979 246	227 749

EXHIBIT No. A-52

Witness: Parsons

Page 2

1923

I. C. C. Docket 15234

ilway Operating Revenues and Expenses

Year Ended December 31, 1923

r operating expenses

Transportation	Other expenses	Total	Net operating revenue	Operating ratio	Railway tax accruals	Uncollectible railway revenue	Railway operating income	Ratio (a)
11 393 592	$1 334 654	$25 389 229	$8 198 965	75.59%	$1 275 521	$8 612	$6 914 832	79.41%
10 948 327	1 491 527	24 279 112	4 126 296	85.47	1 555 000	7 866	2 563 430	90.98
66 508 611	6 710 594	132 507 531	27 918 434	82.60	9 277 409	64 133	18 576 892	88.42
63 395 808	8 255 678	134 290 379	36 980 282	78.41	9 268 055	57 456	27 654 771	83.85
10 806 237	1 595 370	21 431 016	4 292 691	83.31	856 145	3 330	3 423 216	86.65
66 545 638	7 014 948	134 999 226	34 629 110	79.59	8 614 180	3 112	26 011 818	84.67
12 818 667	1 365 301	23 516 147	4 847 007	82.91	1 598 503	12 203	3 236 381	88.59
61 989 250	6 588 594	132 429 231	33 197 751	79.96	9 672 915	24 053	23 500 783	85.81
7 325 680	837 038	14 288 791	2 236 170	86.47	790 884	2 489	1 442 797	91.27
20 282 439	2 198 890	37 615 134	11 730 203	76.23	2 956 439	27 127	8 746 637	82.27
603 624	36 569	1 306 747	Def 56 367	104.51	52 337	Cr 325	Def 108 379	108.67
24 997 690	3 650 019	52 033 495	14 584 141	78.11	2 470 800	16 384	12 096 957	81.84
62 309 672	6 725 509	145 687 272	57 624 520	71.66	18 983 092	95 534	38 545 894	81.04
771 979	156 319	1 542 896	990 012	60.91	78 491	2 107	909 414	64.10
2 601 534	352 194	4 717 243	1 057 403	81.69	88 285	1 041	968 077	83.24
51 501 773	5 711 517	100 272 893	24 355 547	80.46	5 512 350	15 961	18 827 236	84.89
2 941 729	617 900	6 657 629	2 968 222	69.16	458 887	7 543	2 501 792	74.01
9 139 120	1 402 878	20 304 948	3 677 952	84.66	755 438	12 837	2 909 677	87.87
8 369 942	1 227 812	19 946 023	5 658 876	77.90	999 314	13 318	4 646 244	81.85
225 031	31 474	432 223	345 112	55.60	53 733	.....	291 379	62.52
5 031 405	822 832	11 443 049	3 250 142	77.88	645 623	15 748	2 588 771	82.38
1 229 390	139 421	2 799 777	395 166	87.63	122 669	2 328	270 169	91.54
5 879 493	955 456	12 542 633	3 263 975	79.35	484 718	616	2 778 641	82.42
864 842	126 353	1 779 907	66 333	96.41	Cr 34 443	1 088	99 688	94.60
857 864	130 530	1 690 230	125 658	93.08	5 919	2 243	117 496	93.53
636 150	1 302 958	15 185 980	4 408 148	77.50	1 256 087	3 228	3 148 833	83.93
979 246	227 749	1 980 958	508 412	79.58	125 293	130	382 989	84.62

K. C. M. & O. of Tex.	465.75	1 815 888	310 448	391 388	857 864	130 530
K. C. S.	767.60	19 594 128	3 235 944	4 010 928	6 636 150	1 302 958
K. O. & G.	314.42	2 489 370	486 644	287 319	979 246	227 749
K. O. & G. of Tex.	9.10	147 685	19 744	33 969	57 324	19 732
L. R. & N. Co.	343.67	3 892 094	755 597	698 736	1 537 804	256 355
L. R. & N. Co. of Tex.	206.08	1 019 399	168 212	122 301	450 924	70 308
La. Western	207.74	4 663 296	759 352	871 795	1 353 943	375 321
M. K. T.	1 800.75	34 650 648	4 200 807	10 444 121	9 986 545	1 831 742
M. K. T. of Tex.	1 477 58	21 076 414	3 149 140	4 130 768	8 263 549	1 339 701
Mo. Pac.	7 235.72	114 607 948	16 464 182	30 324 816	45 101 684	6 049 284
M. L. & T.	400.67	9 147 416	1 761 752	2 072 869	3 557 168	600 896
N. O. T. & M.	191.22	2 970 623	530 063	622 995	718 774	249 041
P. H. & S. F.	858.37	8 880 456	1 374 486	2 681 285	2 619 817	293 989
St. L. B. & M.	550.22	6 147 806	877 563	770 820	1 558 058	383 107
St. L. S. F.	4 751.21	85 627 607	11 470 385	17 709 031	30 351 687	3 009 707
St. L. S. F. & Tex.	134.41	1 728 716	335 089	283 369	645 279	137 085
St. L. S. W.	968.65	20 842 524	2 479 154	3 911 963	5 228 730	1 309 255
St. L. S. W. of Tex.	807.20	8 708 596	1 772 743	2 886 363	3 755 814	646 191
S. A. & A. P.	739.36	6 455 496	1 125 183	1 561 396	2 344 414	390 606
T. & Ft. S.	81.08	2 890 971	311 697	263 937	765 495	181 702
Texas & N. O.	507.95	9 068 850	2 617 113	2 244 950	3 406 876	508 905
Texas & Pacific	1 952.74	32 592 489	4 571 382	7 273 178	11 485 278	1 651 820
V. S. & P.	184.21	4 460 579	689 781	802 036	1 439 135	332 252

x—Report for nine months ended December 31, 1923.

(a)—Ratio of the sum of Railway Operating Expenses, Railway Tax Accruals and Uncollectible Railway Revenue to Railwa

857 864	130 530	1 690 230	125 658	93.08	5 919	2 243	117 496	93.53
6 636 150	1 302 958	15 185 980	4 408 148	77.50	1 256 087	3 228	3 148 833	83.93
979 246	227 749	1 980 958	508 412	79.58	125 293	130	382 989	84.62
57 324	19 732	130 769	16 916	88.54	2 826	.....	14 090	90.46
1 537 804	256 355	3 268 492	623 602	83.98	223 202	4 095	396 305	89.82
450 924	70 308	811 745	207 654	79.63	36 392	.....	171 262	83.20
1 353 943	375 321	3 360 411	1 302 885	72.06	350 371	967	951 547	79.59
9 986 545	1 831 742	26 463 215	8 187 433	76.37	1 958 781	15 537	6 213 115	82.07
8 263 549	1 339 701	16 883 158	4 193 256	80.11	594 931	10 401	3 587 924	82.98
45 101 684	6 049 284	97 939 966	16 667 982	85.46	4 430 590	51 975	12 185 417	89.37
3 557 168	600 896	7 992 685	1 154 731	87.38	584 989	2 494	567 248	93.80
718 774	249 041	2 120 873	849 750	71.39	410 920	2 803	436 027	85.32
2 619 817	293 989	6 969 577	1 910 879	78.48	270 834	3 318	1 636 727	81.57
1 558 058	383 107	3 589 548	2 558 258	58.39	257 188	11 397	2 289 673	62.76
30 351 687	3 009 707	62 540 810	23 086 797	73.04	4 164 285	29 191	18 893 321	77.94
645 279	137 085	1 400 822	327 894	81.03	25 566	961	301 367	82.57
5 228 730	1 309 255	12 929 102	7 913 422	62.03	1 255 189	3 974	6 654 259	68.07
3 755 814	646 191	9 061 111	Def 352 515	104.05	338 423	1 880	Def 692 818	107.96
2 344 414	390 606	5 421 599	1 033 897	83.98	190 590	5 405	837 902	87.02
765 495	181 702	1 522 831	1 368 140	52.68	179 821	7 082	1 181 237	59.14
3 406 876	508 905	8 777 844	291 006	96.79	346 510	4 425	Def 59 929	100.66
11 485 278	1 651 820	24 981 658	7 610 831	76.65	1 430 000	27 832	6 152 999	81.12
1 439 135	332 252	3 263 204	1 197 375	73.15	349 588	3 776	844 011	81.08

ible Railway Revenue to Railway Operating Revenue.

1923

I. C. C. Docket 15234

Freight Revenues and Expenses

Year Ended December 31, 1923

Railroad	Freight railroad	Operating expenses assigned to freight service: M. of W. and S.	M. of E.	Transportation	Other expenses	Total	Net freight revenue	Operating ratio freight
Chicago & Alton	$24 027 397	$3 470 270	$5 868 696	$8 518 600	$616 644	$18 474 210	$5 553 187	76.88%
C. & E. I.	21 243 932	2 395 897	7 149 466	8 493 438	979 460	19 018 261	2 225 671	89.52
C. & N. W.	113 092 826	16 209 035	27 100 351	47 258 320	3 935 456	94 503 162	18 589 664	83.56
C. B. & Q.	126 433 098	16 778 778	32 477 033	47 939 724	4 421 763	101 617 298	24 815 800	80.37
C. G. W.	19 259 353	2 872 104	4 009 911	8 166 145	942 437	15 990 597	3 268 756	83.03
C. M. & St. P.	127 953 106	17 585 569	29 232 726	50 067 305	3 751 220	100 636 820	27 316 286	78.65
C. St. P. M. & O.	20 074 017	2 660 033	4 355 256	9 689 607	847 762	17 552 658	2 521 359	87.44
Illinois Central	127 081 546	18 594 457	31 443 164	48 646 544	3 886 313	102 570 478	24 511 068	80.71
M. & St. L.	14 023 698	1 868 770	3 120 426	5 880 618	700 716	11 570 530	2 453 168	82.51
M. St. P. & S. S. M.	37 604 190	4 805 787	6 621 773	15 393 754	1 365 439	28 186 753	9 417 437	74.96
Q. O. & K. C.	872 054	291 721	170 757	413 905	25 602	901 985	d 29 931	103.43
Wabash	51 698 168	7 453 960	10 827 716	19 938 846	2 418 784	40 639 306	11 058 862	78.61
A. T. & S. F.	139 655 477	19 090 860	37 106 714	42 890 101	3 714 769	102 802 444	36 853 033	73.61
B. S. L. & W.	2 080 464	231 362	228 733	477 875	108 236	1 046 206	1 034 258	50.28
C. R. I. & G.	4 408 132	660 895	736 958	1 950 262	233 232	3 581 347	826 785	81.24
C. R. I. & P.	88 701 194	10 454 166	21 596 477	37 392 776	3 104 338	72 547 757	16 153 437	81.79
Ft. W. & D. C.	6 865 281	705 273	1 644 707	2 182 151	401 212	4 933 343	1 931 938	71.86
C. H. & S. A.	17 432 184	3 442 709	3 929 335	7 079 377	615 499	15 066 920	2 365 264	86.43
G. C. & S. F.	19 790 688	3 320 870	5 040 224	6 377 285	820 302	15 558 681	4 232 007	78.62
H. & S.	631 136	f 65 968	f 76 698	f 182 702	f 25 554	f 350 922	280 214	55.60
H. & T. C.	10 416 412	1 988 900	2 169 261	3 699 335	480 104	8 337 600	2 078 812	80.04
H. E. & W. T.	2 472 901	610 134	461 376	1 002 261	93 489	2 167 260	305 641	87.64
I. G. N.	11 607 925	2 134 010	1 914 639	4 439 914	575 471	9 064 034	2 543 891	78.09
K. C. M. & O.	1 642 780	372 846	285 629	699 353	114 065	1 471 893	170 887	89.60
K. C. M. & O. of Tex.	1 590 306	258 193	232 896	714 735	217 267	1 423 091	167 215	89.49
K. C. S.	15 664 191	2 671 469	3 371 413	5 352 911	1 070 521	12 466 314	3 197 877	79.58
K. O. & G.	2 262 943	406 316	246 204	825 315	206 000	1 683 835	579 108	74.41
K. O. & G. of Tex.	141 433	f 18 909	f 32 532	f 54 899	f 18 897	f 125 237	16 196	88.55
L. R. & N. Co.	3 310 158	582 937	558 133	1 199 392	208 913	2 549 375	760 783	77.02

K. C. S.	15 664 191	2 671 469	3 371 413	5 352 911	1 070 521	12 466 314	3 197 877	79.58
K. O. & G.	2 262 943	406 316	246 204	825 315	206 000	1 683 835	579 108	74.41
K. O. & G. of Tex.	141 433 f	18 909 f	32 532 f	54 899 f	18 897 f	125 237	16 196	88.55
L. R. & N. Co.	3 310 158	582 937	558 133	1 199 392	208 913	2 549 375	760 783	77.02
xL. R. & N. Co. of Tex.	818 657	120 138	78 460	332 983	53 103	584 684	233 973	71.42
La. Western	3 256 345	504 497	665 725	900 270	201 438	2 271 930	984 415	69.77
M. K. T.	20 522 029	3 017 706	6 303 113	7 307 362	2 158 593	18 786 774	1 735 255	91.54
M. K. T. of Tex.	13 874 191	2 113 929	2 772 021	5 740 866	765 150	11 391 966	2 482 225	82.10
Mo. Pac.	85 961 414	12 464 315	22 453 047	34 020 808	3 878 665	72 816 835	13 144 579	84.70
M. L. & T.	6 625 264	1 263 491	1 597 978	2 701 661	349 453	5 912 583	712 681	89.24
N. O. T. & M.	2 445 603	386 490	490 403	552 674	181 202	1 610 769	834 834	65.86
P. H. & S. F.	6 863 994	1 070 960	2 344 213	1 996 568	209 636	5 621 377	1 242 617	81.83
St. L. B. & M.	4 276 597	568 092	457 634	939 270	257 816	2 222 812	2 053 785	51.97
St. L. S. F.	59 468 121	8 428 913	13 016 096	22 315 305	2 029 036	45 789 350	13 678 771	76.99
St. L. S. F. & Tex.	1 487 285	267 652	229 437	527 713	100 005	1 124 807	362 478	75.63
St. L. S. W.	17 838 664	1 988 165	3 192 639	4 195 097	1 072 156	10 448 057	7 390 607	58.57
St. L. S. W. of Tex.	6 757 406	1 412 590	2 332 473	2 875 758	507 528	7 128 349 d	370 943	105.49
S. A. & A. P.	5 080 904	834 973	1 217 026	1 649 086	295 910	3 996 995	1 083 909	78.67
T. & Ft. S.	2 422 071	268 197	224 475	635 650	148 957	1 277 279	1 144 792	52.73
Texas & N. O.	6 413 628	1 658 606	1 726 656	2 548 164	272 090	6 205 516	208 112	96.76
Texas & Pacific	22 482 492	3 195 476	5 237 331	8 165 639	766 246	17 364 692	5 117 800	77.23
V. S. & P.	2 940 793	441 370	507 925	969 356	249 636	2 168 287	772 506	73.73

d—Deficit.
f—Separation of Operating Expenses not made by Class II Carriers. Proportion of each class of Operating Expenses assigned to Freight Service in ratio of Freight Revenue to Total Operating Revenue.
x—Report for nine months ended December 31, 1923.

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Tons and Ton-miles Revenue, Freight, Car Miles, and Averages per Ton per Ton-mile and p

Year Ended December 31, 1923

Railroad	Freight tonnage and averages							Averages p	
	Tons revenue, freight	Ton-miles revenue, freight	Average haul, miles	Revenue per ton	Revenue P. T. M., mills	Freight car-miles		Tons revenue, freight	Rev ce
						Loaded	Empty		
Chicago & Alton	13 499 429	2 435 688 198	180	$1.791	9.86	96 002 583	53 752 972	25.4	25
C. & E. I.	14 697 968	2 304 816 800	157	1.445	9.22	76 572 610	41 699 220	30.1	27
C. & N. W.	58 207 915	9 248 615 383	159	1.943	12.23	451 604 299	251 213 685	20.5	25
C. B. & Q.	43 483 603	12 690 384 346	292	2.908	9.96	554 652 266	321 081 404	22.9	22
C. G. W.	6 722 786	1 969 074 388	293	2.865	9.78	95 681 780	43 384 562	20.6	20
C. M. & St. P.	51 314 300	11 922 243 644	232	2.494	10.73	542 897 323	293 352 161	21.9	2
C St. P. M. & O.	10 511 198	1 612 951 567	153	1.910	12.45	77 3[illegible]4 496	36 508 995	20.9	2
Illinois Central	55 110 674	15 069 986 030	273	2.306	8.43	601 667 321	336 983 488	25.0	2
M. & St. L.	7 311 189	1 276 675 232	175	1.918	10.98	51 944 395	22 587 418	24.6	2
M. St. P. & S. S. M.	16 758 404	3 515 132 603	209	2.244	10.69	153 276 114	64 746 297	22.9	2
Q. O. & K. C.	566 550	54 456 926	96	1.539	16.01	2 483 454	1 208 969	21.9	3
Wabash	18 739 365	4 673 211 597	249	2.759	11.06	226 082 574	84 575 265	20.7	2
A. T. & S. F.	33 955 420	9 889 482 823	291	4.112	14.12	551 040 978	293 636 164	17.9	2
B. S. L. & W.	1 756 554	157 051 000	89	1.184	13.25	6 214 507	4 027 507	23.7	3
C. R. I. & G.	3 607 015	293 947 529	81	1.222	14.99	14 615 453	9 101 415	20.1	3
C. R. I. & P.	28 742 448	7 181 491 279	250	3.086	12.35	372 359 615	184 772 723	19.3	2
Ft. W. & D. C.	2 900 189	469 001 526	162	2.367	14.64	21 473 671	11 000 347	21.8	3
G. H. & S. A.	6 916 861	1 683 755 747	243	2.520	10.35	78 690 652	37 130 779	21.4	2
G. C. & S. F.	7 847 179	1 830 541 606	233	2.522	10.81	78 657 490	40 290 620	23.3	2
H. & S.	693 043	26 719 896	39	.911	23.62	1 191 575	431 135	22.4	5
H. & T. C.	3 823 945	642 201 398	168	2.724	16.22	31 441 215	15 594 174	20.4	3
H. E. & W. T.	1 565 888	134 153 838	86	1.579	18.43	6 904 776	3 431 083	19.4	3
I. G. N.	4 170 323	677 805 666	163	2.783	17.13	35 570 476	15 660 723	19.1	3
K. C. M. & O.	743 186	141 658 955	191	2.210	11.59	6 498 089	2 736 097	21.8	2
K. C. M. & O. of Tex.	789 916	102 709 244	130	2.013	15.48	5 700 415	2 270 131	18.0	2
K. C. S.	5 598 824	1 538 722 633	275	2.798	10.18	59 206 949	22 403 184	26.0	2
K. O. & G.	1 656 447	165 035 000	100	1.366	13.71	6 055 815	3 067 269	27.3	3

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nd Ton-miles Revenue, Freight, Car Miles, and Averages per Ton per Ton-mile and per Car-mile

Year Ended December 31, 1923

ge and averages						Averages per loaded freight car-mile				Freight revenue and expenses per 1,000,000 net ton-miles		
s	Average haul, miles	Revenue per ton	Revenue P. T. M., mills	Freight car-miles		Tons revenue, freight	Revenue, cents	Expenses, cents	Net revenue, cents			
				Loaded	Empty					Revenue	Expenses	Net revenue
198	180	$1.791	9.86	96 002 583	53 752 972	25.4	25.2	19.2	6.0	$9 865	$7 585	$2 280
800	157	1.445	9.22	76 572 610	41 699 220	30.1	27.7	24.8	2.9	9 217	8 251	966
883	159	1.943	12.23	451 604 299	251 213 685	20.5	25.0	20.9	4.1	12 228	10 218	2 010
346	292	2.908	9.96	554 652 266	321 081 404	22.9	22.8	18.3	4.5	9 963	8 007	1 956
388	293	2.865	9.78	95 681 780	43 384 562	20.6	20.1	16.7	3.4	9 781	8 121	1 660
644	232	2.494	10.73	542 897 323	293 352 161	21.9	23.6	18.5	5.1	10 732	8 441	2 291
567	153	1.910	12.45	77 334 496	36 508 995	20.9	26.0	22.7	3.3	12 446	10 882	1 564
630	273	2.306	8.43	601 667 321	336 983 48[illegible]	25.0	21.1	17.0	4.1	8 433	6 806	1 627
232	175	1.918	10.98	51 944 395	22 587 418	24.6	27.0	22.3	4.7	10 985	9 063	1 922
603	209	2.244	10.69	153 276 114	64 746 297	22.9	24.5	18.4	6.1	10 698	8 019	2 679
926	96	1.539	16.01	2 483 454	1 208 969	21.9	35.1	36.3	d 1.2	16 014	16 563	d 549
597	249	2.759	11.06	226 082 574	84 575 265	20.7	22.8	17.9	4.9	11 063	8 696	2 367
823	291	4.112	14.12	551 040 978	293 636 164	17.9	25.3	18.7	6.6	14 122	10 395	3 727
000	89	1.184	13.25	6 214 507	4 027 507	23.7	33.5	16.8	16.7	13 246	6 662	6 584
529	81	1.222	14.99	14 615 453	9 101 415	20.1	30.2	24.5	5.7	14 996	12 184	2 812
279	250	3.086	12.35	372 359 615	184 772 723	19.3	23.8	19.4	4.4	12 351	10 102	2 249
526	162	2.367	14.64	21 473 671	11 000 347	21.8	32.0	23.0	9.0	14 638	10 519	4 119
747	243	2.520	10.35	78 690 652	37 130 779	21.4	22.1	19.1	3.0	10 353	8 948	1 405
306	233	2.522	10.81	78 657 490	40 290 620	23.3	25.1	19.8	5.3	10 811	8 499	2 312
396	39	.911	23.62	1 191 575	431 135	22.4	52.9	29.4	23.5	23 621	13 133	10 488
908	168	2.724	16.22	31 441 215	15 594 174	20.4	33.1	26.5	6.6	16 220	12 983	3 237
388	86	1.579	18.43	6 904 776	3 431 083	19.4	35.8	31.4	4.4	18 433	16 155	2 278
166	162	2.783	17.13	35 570 476	15 660 723	19.1	32.6	25.4	7.2	17 126	13 373	3 753
165	191	2.210	11.59	6 498 089	2 736 097	21.8	25.3	22.6	2.7	11 597	10 390	1 207
814	130	2.013	15.48	5 700 415	2 270 131	18.0	27.9	24.9	3.0	15 484	13 856	1 628
133	275	2.798	10.18	59 206 949	22 403 184	26.0	26.5	21.1	5.4	10 179	8 101	2 078
190	100	1.366	13.71	6 055 815	3 067 269	27.3	37.3	27.8	9.5	13 712	10 203	3 509
185	9	.341	37.45	149 470	53 578	25.3	94.6	83.8	10.8	37 450	33 162	4 288

K. C. S.	5 598 824	1 538 722 633	275	2.798	10.18	59 206 949	22 403 184	26.0
K. O. & G.	1 656 447	165 035 000	100	1.366	13.71	6 055 815	3 067 269	27.3
K. O. & G. of Tex.	415 006	3 776 555	9	.341	37.45	149 470	53 578	25.3
L. R. & N. Co.	1 811 538	220 618 586	122	1.827	15.00	9 338 647	4 877 693	23.6
xL. R. & N. Co. of Tex.	559 833	59 636 000	107	1.462	13.73	2 712 414	1 327 254	22.0
La. Western	3 908 446	263 019 920	67	.823	12.38	10 434 066	5 920 666	25.2
M. K. T.	7 493 130	1 913 767 950	255	2.739	10.72	95 951 521	55 602 200	19.9
M. K. T. of Tex.	5 858 189	868 311 538	148	2.368	15.98	47 172 775	25 264 661	18.4
Mo. Pac.	32 715 582	7 416 475 588	227	2.628	11.59	339 810 165	153 270 426	21.8
M. L. & T.	4 135 022	446 376 289	108	1.602	14.84	18 578 513	8 674 049	24.0
N. O. T. & M.	1 921 903	197 208 000	103	1.272	12.40	7 759 473	3 999 469	25.4
P. H. & S. F.	3 034 227	603 184 881	199	2.262	11.38	38 777 964	19 407 743	15.5
St. L. B. & M.	1 268 294	248 375 811	196	3.372	17.22	12 524 760	8 583 573	19.8
St. L. S. F.	23 056 703	4 317 501 865	187	2.579	13.77	200 782 735	100 093 937	21.5
St. L. S. F. & Tex.	1 251 936	73 089 066	58	1.188	20.35	3 497 096	1 983 530	20.9
St. L. S. W.	4 490 123	1 310 105 235	292	3.973	13.62	64 274 036	24 002 613	20.4
St. L. S. W. of Tex.	3 083 585	387 663 920	126	2.191	17.43	20 606 662	12 105 728	18.8
S. A. & A. P.	1 608 866	217 756 410	135	3.158	23.33	13 088 695	6 876 848	16.6
T. & Ft. S.	4 395 086	145 291 756	33	.551	16.67	4 836 633	2 493 666	30.0
Texas & N. O.	5 437 273	469 853 254	86	1.800	13.65	19 104 091	11 406 684	24.6
Texas & Pacific	8 892 982	1 419 938 241	160	2.528	15.83	77 490 665	36 966 966	18.3
V. S. & P.	2 000 530	165 460 895	83	1.470	17.77	7 313 038	3 444 205	22.6

d—Deficit.
x—Report for nine months ended December 31, 1923.

275	2.798	10.18	59 206 949	22 403 184	26.0	26.5	21.1	5.4	10 179	8 101	2 078
100	1.366	13.71	6 055 815	3 067 269	27.3	37.3	27.8	9.5	13 712	10 203	3 509
9	.341	37.45	149 470	53 578	25.3	94.6	83.8	10.8	37 450	33 162	4 288
122	1.827	15.00	9 338 647	4 877 693	23.6	35.4	27.3	8.1	15 004	11 556	3 448
107	1.462	13.73	2 712 414	1 327 254	22.0	30.2	21.6	8.6	13 728	9 805	3 923
67	.823	12.38	10 434 066	5 920 666	25.2	31.2	21.8	9.4	12 381	8 638	3 743
255	2.739	10.72	95 951 521	55 602 200	19.9	21.4	19.6	1.8	10 723	9 816	907
148	2.368	15.98	47 172 775	25 264 661	18.4	29.3	24.1	5.2	15 978	13 120	2 858
227	2.628	11.59	339 810 165	153 270 426	21.8	25.2	21.4	3.8	11 591	9 818	1 773
108	1.602	14.84	18 578 513	8 674 049	24.0	35.7	31.8	3.9	14 842	13 246	1 596
103	1.272	12.40	7 759 473	3 999 469	25.4	31.5	20.7	10.8	12 401	8 167	4 234
199	2.262	11.38	38 777 964	19 407 743	15.5	17.7	14.5	3.2	11 380	9 319	2 061
196	3.372	17.22	12 524 760	8 583 573	19.8	34.1	17.7	16.4	17 218	8 949	8 269
187	2.579	13.77	200 782 735	100 093 937	21.5	29.6	22.8	6.8	13 774	10 605	3 169
58	1.188	20.35	3 497 096	1 983 530	20.9	42.5	32.1	10.4	20 349	15 390	4 959
292	3.973	13.62	64 274 036	24 002 613	20.4	27.8	16.3	11.5	13 616	7 975	5 641
126	2.191	17.43	20 606 662	12 105 728	18.8	32.8	34.6	d 1.8	17 431	18 388	d 957
135	3.158	23.33	13 088 695	6 876 848	16.6	38.8	30.5	8.3	23 333	18 356	4 978
33	.551	16.67	4 836 633	2 493 666	30.0	50.0	26.4	23.6	16 670	8 791	7 879
86	1.800	13.65	19 104 091	11 406 684	24.6	33.6	32.5	1.1	13 650	13 207	443
160	2.528	15.83	77 490 665	36 966 966	18.3	29.0	22.4	6.6	15 833	12 229	3 604
83	1.470	17.77	7 313 038	3 444 205	22.6	40.2	29.7	10.5	17 774	13 105	4 669

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Averages per Mile of Road

Year Ended December 31, 1923

	Ton-miles revenue, freight	Operating revenues	Railway Operating Expenses					Net operating revenue	Railway operating income	Freight revenue	Op ex f
			M of W. and S.	M. of E.	Transportation	Other expenses	Total				
Chicago & Alton	2 318 820	$31 977	$4 339	$7 714	$10 847	$1 271	$24 171	$7 806	$6 583	$22 875	$1
C. & E. I.	2 438 624	30 055	3 327	9 199	11 584	1 579	25 689	4 366	2 712	22 477	2
C. &. N. W.	1 092 890	18 957	2 761	4 245	7 859	793	15 658	3 299	2 195	13 364	1
C. B. & Q.	1 349 838	18 218	2 338	4 324	6 744	878	14 284	3 924	2 942	13 448	1
C. G. W.	1 316 173	17 194	2 534	3 502	7 223	1 066	14 325	2 869	2 295	12 873	1
C. M. & St. P.	1 082 787	15 406	2 095	3 485	6 044	637	12 261	3 145	2 362	11 620	
C. St. P. M. & O.	922 113	16 215	2 089	3 246	7 328	781	13 444	2 771	1 850	11 476	1
Illinois Central	3 113 473	34 219	5 042	8 149	12 808	1 361	27 360	6 859	4 855	26 255	2
M. & St. L.	773 789	10 016	1 404	2 309	4 440	507	8 660	1 356	874	8 500	
M. St. P. & S. S. M.	799 531	11 224	1 471	1 971	4 613	500	8 555	2 669	1 990	8 553	
Q. O. & K. C.	217 098	4 985	1 704	954	2 405	146	5 209	d 224	d 432	3 476	
Wabash	1 886 954	26 899	3 837	5 606	10 094	1 473	21 010	5 889	4 885	20 875	
A. T. & S. F.	1 104 110	22 699	3 091	5 467	6 957	751	16 266	6 433	4 303	15 592	
B. S. L. & W.	1 322 535	21 330	2 633	2 543	6 501	1 316	12 993	8 337	7 658	17 520	
C. R. I. & G.	637 312	12 520	1 903	1 920	5 641	764	10 228	2 292	2 099	9 557	
C. R. I. & P.	940 585	16 323	1 937	3 702	6 746	748	13 133	3 190	2 466	11 617	
Ft. W. & D. C.	1 027 813	21 095	2 103	4 686	6 447	1 354	14 590	6 505	5 483	15 045	
G. H. & S. A.	1 220 245	17 381	3 222	3 853	6 623	1 017	14 715	2 666	2 109	12 633	
G. C. & S. F.	958 956	13 413	2 316	3 105	4 385	643	10 449	2 964	2 434	10 368	
H. & S.	655 864	19 080	1 994	2 319	5 524	773	10 610	8 470	7 152	15 492	
H. & T. C.	695 648	15 916	3 048	3 006	5 450	891	12 395	3 521	2 804	11 283	
H. E. & W. T.	700 176	16 675	4 079	3 389	6 416	728	14 612	2 063	1 410	12 907	
I. G. N.	584 567	13 632	2 557	2 365	5 071	824	10 817	2 815	2 396	10 011	
K. C. M. & O.	520 422	6 783	1 621	1 277	3 177	464	6 539	244	366	6 035	
K. C. M. & O. of Tex.	220 524	3 899	667	840	1 842	280	3 629	270	252	3 415	
K. C. S.	2 004 589	25 526	4 218	5 225	8 645	1 696	19 784	5 742	4 102	20 407	
K. O. & G.	524 887	7 917	1 548	914	3 114	724	6 300	1 617	1 218	7 197	
K. O. & G. of Tex.	415 006	16 229	2 170	3 733	6 299	2 168	14 370	1 859	1 548	15 542	
L. R. & N. Co.	641 949	11 325	2 257	2 033	4 475	746	9 511	1 814	1 153	9 632	
[illegible] R. & M. Co. of Tex.	289 383	4 947	816	503	2 188	242	3 939	1 008	831	3 [illegible]	

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Averages per Mile of Road

Year Ended December 31, 1923

	Ton-miles revenue, freight	Operating revenues	Railway Operating Expenses					Net operating revenue	Railway operating income	Freight revenue	Operating expenses, freight	Net freight revenue
			M of W. and S.	M. of E.	Transportation	Other expenses	Total					
.....	2 318 820	$31 977	$4 339	$7 714	$10 847	$1 271	$24 171	$7 806	$6 583	$22 875	$17 588	$5 287
.....	2 438 624	30 055	3 327	9 199	11 584	1 579	25 689	4 366	2 712	22 477	20 122	2 355
.....	1 092 890	18 957	2 761	4 245	7 859	793	15 658	3 299	2 195	13 364	11 167	2 197
.....	1 349 838	18 218	2 338	4 324	6 744	878	14 284	3 924	2 942	13 448	10 809	2 639
.....	1 316 173	17 194	2 534	3 502	7 223	1 066	14 325	2 869	2 295	12 873	10 688	2 185
.....	1 082 787	15 406	2 095	3 485	6 044	637	12 261	3 145	2 362	11 620	9 139	2 481
.....	922 113	16 215	2 089	3 246	7 328	781	13 444	2 771	1 850	11 476	10 035	1 441
.....	3 113 473	34 219	5 042	8 149	12 808	1 361	27 360	6 859	4 855	26 255	21 191	5 064
.....	773 789	10 016	1 404	2 309	4 440	507	8 660	1 356	874	8 500	7 013	1 487
.....	799 531	11 224	1 471	1 971	4 613	500	8 555	2 669	1 990	8 553	6 411	2 142
.....	217 098	4 985	1 704	954	2 405	146	5 209	d 224	d 432	3 476	3 605	d 129
.....	1 886 954	26 899	3 837	5 606	10 094	1 473	21 010	5 889	4 885	20 875	16 409	4 466
.....	1 104 110	22 699	3 091	5 467	6 957	751	16 266	6 433	4 303	15 592	11 477	4 115
.....	1 322 535	21 330	2 633	2 543	6 501	1 316	12 993	8 337	7 658	17 520	8 810	8 710
.....	637 312	12 520	1 903	1 920	5 641	764	10 228	2 292	2 099	9 557	7 765	1 792
.....	940 585	16 323	1 937	3 702	6 746	748	13 133	3 190	2 466	11 617	9 502	2 115
.....	1 027 813	21 095	2 103	4 686	6 447	1 354	14 590	6 505	5 483	15 045	10 812	4 233
.....	1 220 245	17 381	3 222	3 853	6 623	1 017	14 715	2 666	2 109	12 633	10 919	1 714
.....	958 956	13 413	2 316	3 105	4 385	643	10 449	2 964	2 434	10 368	8 151	2 217
.....	655 864	19 080	1 994	2 319	5 524	773	10 610	8 470	7 152	15 492	8 614	6 878
.....	695 648	15 916	3 048	3 006	5 450	891	12 395	3 521	2 804	11 283	9 031	2 252
.....	700 176	16 675	4 079	3 389	6 416	728	14 612	2 063	1 410	12 907	11 311	1 596
.....	584 567	13 632	2 557	2 365	5 071	824	10 817	2 815	2 396	10 011	7 817	2 194
.....	520 422	6 783	1 621	1 277	3 177	464	6 539	244	366	6 035	5 407	628
.....	220 524	3 899	667	840	1 842	280	3 629	270	252	3 415	3 055	360
.....	2 004 589	25 526	4 218	5 225	8 645	1 696	19 784	5 742	4 102	20 407	16 240	4 167
.....	524 887	7 917	1 548	914	3 114	724	6 300	1 617	1 218	7 197	5 355	1 842
....	415 006	16 229	2 170	3 733	6 299	2 168	14 370	1 859	1 548	15 542	13 762	1 780
....	641 949	11 325	2 257	2 033	4 475	746	9 511	1 814	1 153	9 632	7 418	2 214

K. O. & G.	524 887	7 917	1 548	914	3 114	724	6 300	1 617	1 218	7 197
K. O. & G. of Tex.	415 006	16 229	2 170	3 733	6 299	2 168	14 370	1 859	1 548	15 542
L. R. & N. Co.	641 949	11 325	2 257	2 033	4 475	746	9 511	1 814	1 153	9 632
xL. R. & M. Co. of Tex.	289 383	4 947	816	593	2 188	342	3 939	1 008	831	3 973
La. Western	1 266 101	22 448	3 655	4 197	6 518	1 806	16 176	6 272	4 580	15 675
M. K. T.	1 062 732	19 242	2 333	5 800	5 545	1 017	14 695	4 547	3 450	11 396
M. K. T. of Tex.	587 658	14 264	2 131	2 795	5 594	906	11 426	2 838	2 428	9 387
Mo. Pac.	1 024 970	15 839	2 275	4 191	6 233	836	13 535	2 304	1 684	11 880
M. L. & T.	1 114 075	22 830	4 397	5 173	8 878	1 500	19 948	2 882	1 416	16 535
N. O. T. & M.	1 031 315	15 535	2 772	3 258	3 759	1 302	11 091	4 444	2 280	12 790
P. H. & S. F.	702 710	10 346	1 601	3 124	3 052	343	8 120	2 226	1 907	7 996
St. L. B. & M.	451 412	11 173	1 595	1 401	2 832	696	6 524	4 649	4 161	7 773
St. L. S. F.	908 715	18 022	2 414	3 727	6 388	633	13 162	4 860	3 977	12 516
St. L. S. F. & Tex.	543 777	12 862	2 493	2 108	4 801	1 020	10 422	2 440	2 242	11 065
St. L. S. W.	1 352 506	21 517	2 559	4 039	5 398	1 352	13 348	8 169	6 870	18 416
St. L. S. W. of Tex.	480 258	10 789	2 196	3 575	4 653	801	11 225	d 436	d 858	8 371
S. A. & A. P.	294 493	8 731	1 522	2 112	3 171	528	7 333	1 398	1 133	6 872
T. & Ft. S.	1 791 956	35 656	3 844	3 255	9 441	2 241	18 781	16 875	14 569	29 873
Texas & N. O.	924 999	17 854	5 152	4 420	6 707	1 002	17 281	573	d 118	12 626
Texas & Pacific	727 151	16 691	2 341	3 725	5 883	846	12 793	3 898	3 151	11 513
V. S. & P.	898 219	24 215	3 744	4 354	7 813	1 804	17 715	6 500	4 582	15 964

d—Deficit.
x—Report for nine months ended December 31, 1923.

.....	524 887	7 917	1 548	914	3 114	724	6 300	1 617	1 218	7 197	5 355	1 842
.....	415 006	16 229	2 170	3 733	6 299	2 168	14 370	1 859	1 548	15 542	13 762	1 780
.....	641 949	11 325	2 257	2 033	4 475	746	9 511	1 814	1 153	9 632	7 418	2 214
Tex....	289 383	4 947	816	593	2 188	342	3 939	1 008	831	3 973	2 837	1 136
.....	1 266 101	22 448	3 655	4 197	6 518	1 806	16 176	6 272	4 580	15 675	10 936	4 739
.....	1 062 732	19 242	2 333	5 800	5 545	1 017	14 695	4 547	3 450	11 396	10 432	964
.....	587 658	14 264	2 131	2 795	5 594	906	11 426	2 838	2 428	9 387	7 709	1 678
.....	1 024 970	15 839	2 275	4 191	6 233	836	13 535	2 304	1 684	11 880	10 063	1 817
.....	1 114 075	22 830	4 397	5 173	8 878	1 500	19 948	2 882	1 416	16 535	14 757	1 778
.....	1 031 315	15 535	2 772	3 258	3 759	1 302	11 091	4 444	2 280	12 790	8 424	4 366
.....	702 710	10 346	1 601	3 124	3 052	343	8 120	2 226	1 907	7 996	6 626	1 370
.....	451 412	11 173	1 595	1 401	2 832	696	6 524	4 649	4 161	7 773	4 040	3 733
.....	908 715	18 022	2 414	3 727	6 388	633	13 162	4 860	3 977	12 516	9 637	2 879
.....	543 777	12 862	2 493	2 108	4 801	1 020	10 422	2 440	2 242	11 065	8 368	2 697
.....	1 352 506	21 517	2 559	4 039	5 398	1 352	13 348	8 169	6 870	18 416	10 786	7 630
.....	480 258	10 789	2 196	3 575	4 653	801	11 225	d 436	d 858	8 371	8 831	d 460
.....	294 493	8 731	1 522	2 112	3 171	528	7 333	1 398	1 133	6 872	5 406	1 466
.....	1 791 956	35 656	3 844	3 255	9 441	2 241	18 781	16 875	14 569	29 873	15 753	14 120
.....	924 999	17 854	5 152	4 420	6 707	1 002	17 281	573	d 118	12 626	12 217	409
.....	727 151	16 691	2 341	3 725	5 883	846	12 793	3 898	3 151	11 513	8 892	2 621
.....	898 219	24 215	3 744	4 354	7 813	1 804	17 715	6 500	4 582	15 964	11 771	4 193

nine months ended December 31, 1923.

Freight Train and Locomotive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles); Switching Lo
and Averages Per Freight Train Mile

Year Ended December 31, 1923

	Train and locomotive miles					Average per freight t				
						Car miles				
	Freight train miles	Freight train locomotive miles	Train switching locomotive miles	Yard switching locomotive miles	Train locomotive miles	Loaded	Empty	Total	Tons revenue freight	R
Chicago & Alton	4 111 186	4 248 966	185 671	1 713 751	1.033	23.3	13.1	36.4	592	
C. & E. I.	2 973 769	3 073 240	191 534	1 928 320	1.033	25.7	14.0	39.7	775	
C. & N. W.	20 252 229	21 421 250	788 805	10 054 008	1.058	22.3	12.4	34.7	457	
C. B. & Q.	20 766 654	22 597 476	894 498	9 167 747	1.088	26.7	15.5	42.2	611	
C. G. W.	3 350 218	3 950 135	232 168	1 338 543	1.179	28.6	12.9	41.5	587	
C. M. & St. P.	21 617 253	23 163 332	1 980 076	10 075 163	1.072	25.1	13.6	38.7	552	
C. St. P. M. & O.	4 047 915	4 541 382	543 668	1 861 694	1.121	19.1	9.0	28.1	398	
Illinois Central	22 142 834	22 819 117	970 604	8 653 388	1.031	27.1	15.2	42.3	681	
M. & St. L.	2 906 891	3 225 119	150 817	805 878	1.109	17.8	7.7	25.5	439	
M. St. P. & S. S. M.	6 734 955	6 967 285	319 105	2 274 934	1.034	22.8	9.6	32.4	522	
Q. O. & K. C.	194 719	234 603	3 174	28 612	1.205	12.8	6.2	19.0	280	
Wabash	7 685 009	8 253 995	447 183	3 449 892	1.074	29.4	11.0	40.4	608	
A. T. & S. F.	20 074 058	22 433 192	533 235	6 993 241	1.117	27.5	14.6	42.1	493	
B. S. L. & W.	197 006	202 094	13 414	26 365	1.025	31.5	20.4	51.9	797	
C. R. I. & G.	895 036	913 456	21 603	249 784	1.021	16.3	10.2	26.5	328	
C. R. I. & P.	17 228 974	17 840 203	1 099 978	6 061 378	1.035	21.6	10.7	32.3	417	
Ft. W. & D. C.	862 191	877 084	56 047	407 654	1.017	24.9	12.6	37.5	544	
G. H. & S. A.	3 295 455	3 325 669	160 722	714 192	1.007	23.9	11.3	35.2	511	
G. C. & S. F.	3 063 594	3 234 969	157 998	747 197	1.567	25.7	13.2	38.9	598	
H. & S.	88 088	88 898	6 382	31 022	1.009	13.5	4.9	18.4	303	
H. & T. C.	1 586 734	1 600 570	78 651	489 264	1.009	19.8	9.8	29.6	405	
H. E. & W. T.	541 079	547 715	110 619	29 961	1.012	10.8	6.3	17.1	248	
I. G. N.	1 744 955	1 781 027	129 622	799 953	1.021	20.4	9.0	29.4	388	
K. C. M. & O.	393 665	398 864	13 038	84 216	1.013	16.5	6.9	23.4	360	
K. C. M. & O. of Tex.	425 250	430 179	21 492	62 406	1.011	13.4	5.3	18.7	241	
K. C. S.	2 069 184	2 256 951	40 949	896 259	1.091	28.6	10.8	39.4	744	

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nd Locomotive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles); Switching Locomotive Miles, and Averages Per Freight Train Mile

Year Ended December 31, 1923

Train and locomotive miles					Average per freight train mile						
					Car miles						
Freight train miles	Freight train locomotive miles	Train switching locomotive miles	Yard switching locomotive miles	Train locomotive miles	Loaded	Empty	Total	Tons revenue freight	Revenue	Expenses	Net revenue
4 111 186	4 248 966	185 671	1 713 751	1.033	23.3	13.1	36.4	592	$5.84	$4.49	$1.35
2 973 769	3 073 240	191 534	1 928 320	1.033	25.7	14.0	39.7	775	7.14	6.40	.74
20 252 229	21 421 250	788 805	10 054 008	1.058	22.3	12.4	34.7	457	5.58	4.67	.91
20 766 654	22 597 476	894 498	9 167 747	1.088	26.7	15.5	42.2	611	6.09	4.89	1.20
3 350 218	3 950 135	232 168	1 338 543	1.179	28.6	12.9	41.5	587	5.74	4.77	.97
21 617 253	23 163 332	1 980 076	10 075 163	1.072	25.1	13.6	38.7	552	5.92	4.66	1.26
4 047 915	4 541 382	543 668	1 861 694	1.121	19.1	9.0	28.1	398	4.95	4.33	.62
22 142 834	22 819 117	970 604	8 653 388	1.031	27.1	15.2	42.3	681	5.73	4.63	1.10
2 906 891	3 225 119	150 817	805 878	1.109	17.8	7.7	25.5	439	4.82	3.98	.84
6 734 955	6 967 285	319 105	2 274 934	1.034	22.8	9.6	32.4	522	5.58	4.18	1.40
194 719	234 603	3 174	28 612	1.205	12.8	6.2	19.0	280	4.48	4.63	d .15
7 685 009	8 253 995	447 183	3 449 892	1.074	29.4	11.0	40.4	608	6.73	5.29	1.44
20 074 058	22 433 192	533 235	6 993 241	1.117	27.5	14.6	42.1	493	6.95	5.12	1.83
197 006	202 094	13 414	26 365	1.025	31.5	20.4	51.9	797	10.56	5.31	5.25
895 036	913 456	21 603	249 784	1.021	16.3	10.2	26.5	328	4.92	4.00	.92
17 228 974	17 840 203	1 099 978	6 061 378	1.035	21.6	10.7	32.3	417	5.14	4.21	.93
862 191	877 084	56 047	407 654	1.017	24.9	12.6	37.5	544	7.96	5.72	2.24
3 295 455	3 325 669	160 722	714 192	1.007	23.9	11.3	35.2	511	5.29	4.57	.72
3 063 594	3 234 969	157 998	747 197	1.567	25.7	13.2	38.9	598	6.45	5.07	1.38
88 088	88 898	6 382	31 022	1.009	13.5	4.9	18.4	303	7.16	3.98	3.18
1 586 734	1 600 570	78 651	489 264	1.009	19.8	9.8	29.6	405	6.56	5.25	1.31
541 079	547 715	110 619	29 961	1.012	10.8	6.3	17.1	248	4.57	4.01	.56
1 744 955	1 781 027	129 622	799 953	1.021	20.4	9.0	29.4	388	6.65	5.19	1.46
393 665	398 864	13 038	84 216	1.013	16.5	6.9	23.4	360	4.17	3.73	.44
425 250	430 179	21 492	62 406	1.011	13.4	5.3	18.7	241	3.73	3.34	.39
2 069 184	2 256 951	40 949	896 259	1.091	28.6	10.8	39.4	744	7.57	6.02	1.55
399 255	399 778	19 428	125 524	1.001	15.2	7.7	22.9	413	5.66	4.22	1.44

K. C. M. & O.	393 665	398 864	13 038	84 216	1.013	16.5	6.9	23.4	360	4
K. C. M. & O. of Tex.	425 250	430 179	21 492	62 406	1.011	13.4	5.3	18.7	241	3
K. C. S.	2 069 184	2 256 951	40 949	896 259	1.091	28.6	10.8	39.4	744	7
K. O. & G.	399 255	399 778	19 428	125 524	1.001	15.2	7.7	22.9	413	5
K. O. & G. of Tex.	9 774	9 783	.....	18 732	1.001	15.3	5.5	20.8	386	14
L. R. & N. Co.	472 761	473 702	2 414	243 968	1.002	19.8	10.3	30.1	467	7
xL. R. & N. Co. of Tex.	217 848	218 794	15 273	49 542	1.004	12.5	6.1	18.6	274	3
La. Western	372 556	380 407	38 781	88 358	1.021	28.0	15.9	43.9	706	8
M. K. T.	3 255 305	3 363 440	154 206	1 140 462	1.033	29.4	17.1	46.5	588	6
M. K. T. of Tex.	2 263 187	2 366 592	291 636	784 512	1.046	20.8	11.2	32.0	384	6
Mo. Pac.	13 716 212	14 298 391	1 094 275	5 735 912	1.043	24.8	11.2	36.0	541	6
M. L. & T.	697 469	720 962	122 230	643 172	1.034	26.6	12.4	39.0	640	9
N. O. T. & M.	229 402	232 909	28 891	110 661	1.015	33.8	17.4	51.2	860	10
P. H. & S. F.	1 213 437	1 270 899	10 752	143 297	1.047	31.9	15.9	47.8	497	5
St. L. B. & M.	497 356	499 295	88 722	68 783	1.003	25.2	17.3	42.5	489	8
St. L. S. F.	10 538 657	10 911 330	1 266 621	3 490 947	1.035	19.1	9.5	28.6	410	5
St. L. S. F. & Tex.	182 049	185 364	21 759	96 405	1.018	19.2	10.9	30.1	401	5
St. L. S. W.	1 982 932	2 008 339	101 602	468 029	1.013	32.4	12.1	44.5	661	9
St. L. S. W. of Tex	1 310 425	1 331 927	130 527	397 597	1.016	15.7	9.2	24.9	296	4
S. A. & A. P.	950 981	966 733	122 466	194 717	1.016	13.8	7.2	21.0	229	3
T. & Ft. S.	167 947	171 442	4 338	171 544	1.021	28.7	14.8	43.5	865	14
Texas & N. O.	885 395	896 278	94 974	844 151	1.012	21.6	12.9	34.5	531	7
Texas & Pacific	3 214 429	3 261 173	262 620	1 189 596	1.015	24.1	11.5	35.6	442	6
V. S. & P.	372 239	377 664	27 532	212 268	1.015	19.6	9.3	28.9	445	7

d—Deficit.
x—Report for nine months ended December 31, 1923.

393 665	398 864	13 038	84 216	1.013	16.5	6.9	23.4	360	4.17	3.73	.44
425 250	430 179	21 492	62 406	1.011	13.4	5.3	18.7	241	3.73	3.34	.39
2 069 184	2 256 951	40 949	896 259	1.091	28.6	10.8	39.4	744	7.57	6.02	1.55
399 255	399 778	19 428	125 524	1.001	15.2	7.7	22.9	413	5.66	4.22	1.44
9 774	9 783	.....	18 732	1.001	15.3	5.5	20.8	386	14.47	12.81	1.66
472 761	473 702	2 414	243 968	1.002	19.8	10.3	30.1	467	7.00	5.39	1.61
217 848	218 794	15 273	49 542	1.004	12.5	6.1	18.6	274	3.76	2.68	1.08
372 556	380 407	38 781	88 358	1.021	28.0	15.9	43.9	706	8.74	6.10	2.64
3 255 305	3 363 440	154 206	1 140 462	1.033	29.4	17.1	46.5	588	6.30	5.77	.53
2 263 187	2 366 592	291 636	784 512	1.046	20.8	11.2	32.0	384	6.13	5.03	1.10
13 716 212	14 298 391	1 094 275	5 735 912	1.043	24.8	11.2	36.0	541	6.26	5.31	.95
697 469	720 962	122 230	643 172	1.034	26.6	12.4	39.0	640	9.50	8.48	1.02
229 402	232 909	28 891	110 661	1.015	33.8	17.4	51.2	860	10.66	7.02	3.64
1 213 437	1 270 899	10 752	143 297	1.047	31.9	15.9	47.8	497	5.66	4.63	1.03
497 356	499 295	88 722	68 783	1.003	25.2	17.3	42.5	489	8.59	4.47	4.12
10 538 657	10 911 330	1 266 621	3 490 947	1.035	19.1	9.5	28.6	410	5.64	4.34	1.30
182 049	185 364	21 759	96 405	1.018	19.2	10.9	30.1	401	8.17	6.18	1.99
1 982 932	2 008 339	101 602	468 029	1.013	32.4	12.1	44.5	661	9.00	5.27	3.73
1 310 425	1 331 927	130 527	397 597	1.016	15.7	9.2	24.9	296	5.16	5.44	d .28
950 981	966 733	122 466	194 717	1.016	13.8	7.2	21.0	229	5.34	4.20	1.14
167 947	171 442	4 338	171 544	1.021	28.7	14.8	43.5	865	14.42	7.61	6.81
885 395	896 278	94 974	844 151	1.012	21.6	12.9	34.5	531	7.24	7.01	.23
3 214 429	3 261 173	262 620	1 189 596	1.015	24.1	11.5	35.6	442	6.99	5.40	1.59
372 239	377 664	27 532	212 268	1.015	19.6	9.3	28.9	445	7.90	5.82	2.08

ths ended December 31, 1923.

[fol. 287] From a study of the figures in exhibit A-51 it will be seen that the relative increase resulting from the addition of these items is quite small, and I think the only comment or explanation here needed is in respect to the item on page 2 of railway tax accruals for the K. C. M. & O. and the K. C. M. & O. of Texas.

I have nothing to say with respect to that other than to invite the attention to the remarks of the Commission in the Orient divisions case, Docket 13668, in 73 I. C. C. at page 329, and in 96 I. C. C. at page 380. The figures as I show them in my exhibit are those reported by the carriers to the Commission (Tr. 4369-4370).

Exhibit A-53 is for the year 1922 and is similar to exhibit A-52, the information being in all respects the same as the figures differ from one year to another (Tr. 4370).

Exhibit A-53 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-53, side folios 288, 289, 290, 291, and 292)

[fol. 288]

EXHIBIT No. A-53

Witness: Parsons

Page 2

1922

I. C. C. Docket 15234

Railway Operating Revenues and Expenses

Year Ended December 31, 1922

Railroad	Average miles operated	Railway operating revenue	Railway operating expenses				
			M. of W. and S.	M. of E.	Transportation	Other expenses	Total
Chicago & Alton	1 050.51	$27 593 925	$3 700 886	$7 178 553	$11 063 611	$1 704 540	$23 647 5
C. & E. I.	945.13	24 731 348	2 782 201	6 567 570	10 354 312	1 430 650	21 134 7
C. & N. W.	8 403.82	146 100 437	19 323 883	30 456 070	63 056 718	6 354 463	119 191 1
C. B. & Q.	9 393.69	164 916 470	20 769 379	35 735 414	62 875 593	7 397 317	126 777 7
C. G. W.	1 496.06	24 224 789	3 640 961	5 705 835	10 334 236	1 593 193	21 274 2
C. M. & St. P.	11 029.86	156 950 628	19 798 385	36 987 240	66 068 029	6 743 042	129 596 6
C. St. P. M. & O.	1 749.19	27 801 007	3 526 300	5 011 252	12 390 761	1 368 738	22 297 0
Illinois Central	4 784.52	154 860 387	20 538 117	36 236 120	55 934 969	6 420 063	119 129 2
M. & St. L.	1 649.90	15 558 247	2 245 452	2 921 073	7 398 718	772 466	13 337 7
M. St. P. & S. S. M.	4 383.57	47 107 105	6 885 060	7 310 920	20 091 207	2 155 664	36 442 8
Q. O. & K. C.	252.72	1 242 291	372 713	214 713	673 560	34 132	1 295 1
Wabash	2 472.96	57 662 496	8 270 927	12 282 949	24 086 905	3 400 516	48 041 2
A. T. & S. F.	8 857.21	191 506 230	29 978 744	43 288 399	60 232 717	6 856 647	140 356 5
B. S. L. & W.	118.75	2 054 198	414 264	261 436	641 215	142 367	1 459 2
C. R. I. & G.	461.23	5 881 674	855 302	913 221	2 707 082	334 524	4 810 1
C. R. I. & P.	7 655.00	119 204 560	14 845 839	25 190 701	50 164 826	5 559 431	95 760 7
Ft. W. & D. C.	456.31	9 717 037	859 452	2 124 649	3 124 086	617 703	6 725 8
G. H. & S. A.	1 379.85	22 254 213	4 098 173	4 528 750	8 769 084	1 343 142	18 739 1
G. C. & S. F.	1 907.74	24 392 120	4 057 903	5 383 282	7 767 358	1 304 590	18 513 1
H. & S.	40.74	768 075	105 152	109 609	255 529	25 469	495 7
H. & T. C.	923.17	15 087 424	2 897 002	2 899 592	5 326 137	779 329	11 902 0
H. E. & W. T.	191.60	3 173 665	621 033	672 643	1 326 018	115 389	2 735 0
I. G. N.	1 159.50	14 674 116	2 273 391	2 831 968	6 222 478	952 463	12 280 3
K. C. M. & O.	272.20	1 375 952	287 454	286 349	742 421	127 238	1 443 4
K. C. M. & O. of Tex.	465.75	1 600 627	293 680	355 798	887 287	133 299	1 670 0
K. C. S.	767.60	18 221 027	2 333 293	3 822 501	6 399 281	1 231 516	13 786 5
K. O. & G.	314.45	2 871 211	500 519	330 923	1 040 180	191 624	2 063 2

EXHIBIT No. A-53

Witness: Parsons

Page 2

1922

I. C. C. Docket 15234

Railway Operating Revenues and Expenses

Year Ended December 31, 1922

Railway operating expenses									
M. of E.	Transportation	Other expenses	Total	Net operating revenue	Operating ratio	Railway tax accruals	Uncollectible railway revenue	Railway operating income	Ratio (a)
$7 178 553	$11 063 611	$1 704 540	$23 647 590	$3 946 335	85.70%	$969 612	$2 355	$2 974 368	89.22%
6 567 570	10 354 312	1 430 650	21 134 733	3 596 615	85.46	1 155 000	5 739	2 435 876	90.15
30 456 070	63 056 718	6 354 463	119 191 134	26 909 303	81.58	8 998 100	33 830	17 877 373	87.76
35 735 414	62 875 593	7 397 317	126 777 703	38 138 767	76.87	10 890 007	31 338	27 217 422	83.50
5 705 835	10 334 236	1 593 193	21 274 235	2 950 554	87.82	985 700	2 954	1 961 900	91.90
36 987 240	66 068 029	6 743 042	129 596 696	27 353 932	82.57	9 654 738	6 534	17 692 660	88.73
5 011 252	12 390 761	1 368 738	22 297 051	5 503 956	80.20	1 545 993	13 030	3 944 933	85.81
36 236 120	55 934 969	6 420 063	119 129 269	35 731 118	76.93	11 208 967	15 413	24 506 738	84.17
2 921 073	7 398 718	772 466	13 337 709	2 220 538	85.73	829 166	1 619	1 389 753	91.07
7 310 920	20 091 207	2 155 664	36 442 851	10 664 254	77.36	3 056 289	12 592	7 595 373	83.88
214 713	673 560	34 132	1 295 118	d 52 827	104.25	43 537	93	d 96 457	107.76
12 282 949	24 086 905	3 400 516	48 041 297	9 621 199	83.31	2 262 675	23 871	7 334 653	87.28
43 288 399	60 232 717	6 856 647	140 356 507	51 149 723	73.29	17 035 498	52 117	34 062 108	82.21
261 436	641 215	142 367	1 459 282	594 916	71.04	63 017	181	531 718	74.12
913 221	2 707 082	334 524	4 810 129	1 071 545	81.78	143 478	5 207	922 860	84.31
25 190 701	50 164 826	5 559 431	95 760 797	23 443 763	80.33	6 019 698	16 581	17 407 484	85.40
2 124 649	3 124 086	617 703	6 725 890	2 991 147	69.22	437 615	1 438	2 552 094	73.74
4 528 750	8 769 084	1 343 142	18 739 149	3 515 064	84 20	746 554	14 976	2 753 534	87.63
5 383 282	7 767 358	1 304 590	18 513 133	5 878 987	75.90	912 904	11 623	4 954 460	79.69
109 609	255 529	25 469	495 759	272 316	64.55	40 865	52	231 399	69.87
2 899 592	5 326 137	779 329	11 902 060	3 185 364	78.89	694 443	8 761	2 482 160	83.55
672 643	1 326 018	115 389	2 735 083	438 582	86.18	90 950	3 126	344 506	89.14
2 831 968	6 222 478	952 463	12 280 300	2 393 816	83.69	392 817	14 161	1 986 838	86.46
286 349	742 421	127 238	1 443 462	d 67 510	104.91	84 600	73	d 152 183	111.06
355 798	887 287	133 299	1 670 064	d 69 437	104.34	71 985	1 613	d 143 035	108.94
3 822 501	6 399 281	1 231 516	13 786 591	4 434 436	75.66	1 159 333	4 735	3 270 368	82.05
330 923	1 040 180	191 624	2 063 246	807 965	71.86	119 821	225	687 919	76.04

K. C. M. & O.	272.20	1 375 952	287 454	286 349	742 421	127 238	1 443 462
K. C. M. & O. of Tex.	465.75	1 600 627	293 680	355 798	887 287	133 299	1 670 064
K. C. S.	767.60	18 221 027	2 333 293	3 822 501	6 399 281	1 231 516	13 786 591
K. O. & G.	314.45	2 871 211	500 519	330 923	1 040 180	191 624	2 063 246
K. O. & G. of Tex.	9.10	156 616	18 544	25 274	60 246	25 210	129 274
L. R. & N. Co.	343.67	3 604 117	747 129	577 622	1 392 703	257 594	2 975 048
xL. R. & N. Co. of Tex.	.....	.....	.....	.....	.....	.....	.....
La. Western	207.74	4 303 197	637 976	912 439	1 224 768	359 976	3 135 159
M. K. T.	1 670.50	31 991 332	3 434 246	6 581 068	9 696 671	1 687 673	21 399 658
M. K. T. of Tex.	1 737.89	21 469 111	3 444 051	3 759 149	8 463 703	1 328 898	16 995 801
Mo. Pac.	7 261.78	99 921 331	17 282 957	20 996 699	41 152 481	5 226 778	84 658 915
M. L. & T.	400.67	8 533 386	1 682 494	2 066 061	3 307 422	635 915	7 691 892
N. O. T. & M.	191.22	2 939 171	429 196	569 494	644 074	174 593	1 817 357
P. H. & S. F.	857.79	8 119 141	1 921 800	2 294 145	2 613 461	297 590	7 126 996
St. L. B. & M.	550.22	5 111 852	925 584	731 589	1 406 388	379 021	3 442 582
St. L. S. F.	4 760.91	79 170 251	11 423 219	14 707 604	30 060 083	2 952 862	59 143 768
St. L. S. F. & Tex.	134.41	1 709 052	362 035	277 114	644 626	126 238	1 410 013
St. L. S. W.	968.65	18 548 233	2 318 040	2 794 051	5 081 145	1 195 905	11 389 141
St. L. S. W. of Tex.	807.38	7 611 691	1 981 096	2 037 353	4 010 514	586 472	8 615 435
S. A. & A. P.	739.36	5 780 170	1 093 189	1 360 016	2 395 701	414 376	5 263 282
T. & Ft. S.	95.33	2 140 152	229 053	278 371	623 818	165 627	1 296 869
Texas & N. O.	507.95	8 747 306	2 012 401	2 070 365	3 457 250	507 269	8 047 285
Texas & Pacific	1 952.74	3[illegible] 381 795	5 051 050	6 544 264	11 843 491	2 055 281	25 494 086
V. S. & P.	171.44	3 717 970	631 902	655 579	1 421 490	307 289	3 016 260

d—Deficit.
Cr—Credit.
x—Prior to March 31, 1923, part of M. K. T. Ry. of Texas.
(a)—Ratio of the sum of Railway Operating Expenses, Railway Tax Accruals and Uncollectible Railway Revenue to Railway Operating Reven

286 349	742 421	127 238	1 443 462	d 67 510	104.91	84 600	73	d 152 183	111.06
355 798	887 287	133 299	1 670 064	d 69 437	104.34	71 985	1 613	d 143 035	108.94
3 822 501	6 399 281	1 231 516	13 786 591	4 434 436	75.66	1 159 333	4 735	3 270 368	82.05
330 923	1 040 180	191 624	2 063 246	807 965	71.86	119 821	225	687 919	76.04
25 274	60 246	25 210	129 274	27 342	82.54	2 667	.....	24 675	84.24
577 622	1 392 703	257 594	2 975 048	629 069	82.54	206 162	2 935	419 972	88.35
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
912 439	1 224 768	359 976	3 135 159	1 168 038	72.86	303 058	1 640	863 340	79.94
6 581 068	9 696 671	1 687 673	21 399 658	10 591 674	66.89	2 106 244	17 893	8 467 537	73.53
3 759 149	8 463 703	1 328 898	16 995 801	4 473 310	79.16	681 747	12 040	3 779 523	82.40
20 996 699	41 152 481	5 226 778	84 658 915	15 262 416	84.73	4 015 318	40 665	11 206 433	88.78
2 066 061	3 307 422	635 915	7 691 892	841 494	90.14	570 061	2 208	269 225	96.85
569 494	644 074	174 593	1 817 357	1 121 814	61.83	263 722	Cr 159	858 251	70.80
2 294 145	2 613 461	297 590	7 126 996	992 145	87.78	350 665	3 506	637 974	92.14
731 589	1 406 388	379 021	3 442 582	1 669 270	67.35	204 704	4 539	1 460 027	71.44
14 707 604	30 060 083	2 952 862	59 143 768	20 026 483	74.70	3 610 936	57 781	16 357 766	79.34
277 114	644 626	126 238	1 410 013	299 039	82.50	24 517	1 243	273 279	84.01
2 794 051	5 081 145	1 195 905	11 389 141	7 159 092	61.40	908 484	3 859	6 246 749	66.32
2 037 353	4 010 514	586 472	8 615 435	d 1 003 744	113.19	319 914	1 206	d 1 324 864	117.41
1 360 016	2 395 701	414 376	5 263 282	516 888	91.06	180 167	3 653	333 068	94.24
278 371	623 818	165 627	1 296 869	843 283	60.60	156 342	789	686 152	67.94
2 070 365	3 457 250	507 269	8 047 285	700 021	92.00	373 647	4 820	321 554	96.32
6 544 264	11 843 491	2 055 281	25 494 086	5 887 709	81.24	1 230 397	8 942	4 648 370	85.19
655 579	1 421 490	307 289	3 016 260	701 710	81.13	231 319	1 775	468 616	87.40

...d Uncollectible Railway Revenue to Railway Operating Revenue.

1922

I. C. C. Docket 15234

Freight Revenues and Expenses

Year Ended December 31, 1922

Railroad	Freight revenue	Operating expenses assigned to freight service					Net freight revenue	Operating ratio freight
		M. of W. and S.	M. of E.	Transportation	Other expenses	Total		
Chicago & Alton	$19 031 174	$2 745 799	$5 297 954	$8 383 535	$814 270	$17 241 558	$1 789 616	90.60%
C. & E. I.	18 257 138	2 096 806	5 530 920	8 021 116	937 332	16 586 174	1 670 964	90.85
C. & N. W.	100 700 614	12 840 211	22 570 578	43 443 870	3 727 015	82 581 674	18 118 940	82.01
C. B. & Q.	121 388 902	15 511 516	28 809 216	46 566 467	4 089 185	94 976 384	26 412 518	78.24
C. G. W.	17 730 271	2 589 210	4 244 637	7 638 441	967 990	15 440 278	2 289 993	87.08
C. M. & St. P.	116 005 731	14 671 297	28 111 680	48 222 704	3 849 136	94 854 817	21 150 914	81.77
C. St. P. M. & O.	19 602 694	2 537 855	3 835 263	9 201 704	856 920	16 431 742	3 170 952	83.82
Illinois Central	119 849 020	15 498 833	28 972 088	43 454 540	3 892 635	91 818 096	28 030 924	76.61
M. & St. P.	12 865 023	1 752 464	2 325 425	5 844 127	633 471	10 555 487	2 309 536	82.05
M. St. P. & S. S. M.	35 529 522	4 899 210	5 532 976	14 614 849	1 310 050	26 357 085	9 172 437	74.18
Q. O. & K. C.	849 588	259 679	147 810	428 164	20 131	855 784 d	6 196	100.73
Wabash	43 911 074	6 234 093	9 443 769	18 727 843	2 274 466	36 580 171	7 230 903	83.53
A. T. & S. F.	132 964 660	20 104 460	32 346 649	41 424 150	4 051 562	97 926 821	35 037 839	73.65
B. S. L. & W.	1 640 185	286 670	188 127	434 045	100 259	1 009 101	631 084	61.52
C. R. I. & G.	4 476 579	605 804	725 118	1 970 812	213 358	3 515 092	961 487	78.52
C. R. I. & P.	83 241 761	10 130 066	18 722 587	35 562 929	3 063 352	67 478 934	15 762 827	81.06
Ft. W. & D. C.	6 852 575	651 777	1 726 817	2 322 607	1 202 676	5 903 877	948 698	86.16
C. H. & S. A.	16 422 195	2 948 595	3 480 518	6 618 875	698 854	13 746 842	2 675 353	83.71
G. C. & S. F.	18 686 643	2 958 604	4 483 895	5 735 215	867 386	14 045 100	4 641 543	75.16
H. & S.	626 774 f	85 807 f	89 444 f	208 519 f	20 784 f	404 554	222 220	64.55
H. & T. C.	10 597 691	1 956 139	2 160 172	3 857 452	476 811	8 450 574	2 147 117	79.74
H. E. & W. T.	2 501 949	490 249	511 612	1 082 822	76 304	2 160 987	340 962	86.37
I. G. N.	10 733 365	1 613 478	2 179 439	4 589 129	590 332	8 972 378	1 760 987	83.59
K. C. M. & O.	1 160 541	220 912	233 228	562 075	113 389	1 129 604	30 937	97.33
K. C. M. & O. of Tex.	1 374 189	233 393	307 674	705 145	120 633	1 366 845	7 344	99.47
K. C. S.	14 551 142	1 890 137	3 036 857	5 135 622	994 159	11 056 775	3 494 367	75.99
K. O. & G.	2 607 543	422 933	251 146	878 694	166 738	1 719 511	888 032	65.94
K. O. G. of Tex.	151 775 f	17 971 f	24 493 f	58 384 f	24 430 f	125 278	26 497	82.54
L. R. & N. Co.	3 018 863	250 369	458 263	1 085 318	527 993	2 321 943	696 920	76.91

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	994 159	11 056 775	3 494 367	75.99
K. O. & G.	2 607 543	422 933	251 146	878 694	166 738	1 719 511	888 032	65.94
K. O. G. of Tex	151 775 f	17 971 f	24 493 f	58 384 f	24 430 f	125 278	26 497	82.54
L. R. & N. Co.	3 018 863	250 369	458 263	1 085 318	527 993	2 321 943	696 920	76.91
xL. R. & N. Co. of Tex.								
La. Western	2 956 369	380 393	812 050	766 926	219 678	2 179 047	777 322	73.71
M. K. T.	23 395 948	2 457 179	4 561 176	6 932 280	1 061 510	15 012 145	8 383 803	64.17
M. K. T. of Tex	14 002 696	2 295 114	2 482 241	5 824 856	748 102	11 350 313	2 652 383	81.06
Mo. Pac	73 918 551	12 748 076	16 416 706	30 093 150	3 514 199	62 772 131	11 146 420	84.92
M. L. & T.	6 066 294	1 160 696	1 894 924	2 481 925	417 382	5 909 927	156 367	97.42
N. O. T. & M.	2 440 780	302 978	434 953	485 716	130 560	1 354 207	1 086 573	55.48
P. H. & S. F.	6 188 669	1 378 888	1 943 033	1 973 325	208 019	5 503 265	685 404	88.92
St. L. B. & M.	3 465 163	583 584	412 610	854 081	255 605	2 105 880	1 359 283	60.77
St. L. S. F.	54 759 680	8 183 263	10 838 708	21 077 808	1 997 682	42 097 461	12 662 219	76.88
St. L. S. F. & Tex	1 450 904	265 339	220 553	485 838	88 529	1 060 259	390 645	73.08
St. L. S. W.	16 251 232	1 870 227	2 285 121	4 078 769	987 749	9 221 866	7 029 366	56.75
St. L. S. W. of Tex.	6 045 973	1 557 763	1 682 323	3 064 946	459 320	6 764 352	d 718 379	111.88
S. A. & A. P.	4 500 866	793 850	1 007 130	1 658 800	316 687	3 776 467	724 399	83.91
T. & Ft. S.	1 784 983	177 818	216 499	480 247	126 104	1 000 668	784 315	56.06
Texas & N. O.	6 341 935	1 445 915	1 537 181	2 599 516	291 169	5 873 781	468 154	92.62
Texas & Pacific	21 738 482	3 425 293	4 678 243	8 314 171	1 151 364	17 569 071	4 169 411	80.82
V. S. & P.	2 326 927	374 070	405 255	941 555	208 864	1 929 744	397 183	82.93

d—Deficit.

f—Separation of Operating Expenses not made by Class II Carriers. Proportion of each class of Operating Expenses assigned to Freight Service in ratio of Freight Revenue to Total Operating Revenue.

x—Prior to March 31, 1923, part of M.K.T. Ry. of Texas.

Tons and Ton-miles Revenue, Freight Car-miles, and Averages per Ton, per Ton-mile an

Year Ended December 31, 1922

Railroad	Freight tonnage and averages					Freight-car miles		Ave
	Tons revenue, freight	Ton-miles revenue freight	Average haul, miles	Revenue per ton	Revenue P. T. M., Mills	Loaded	Empty	Tons revenu freigh
Chicago & Alton	10 143 898	1 802 180 400	178	$1.876	10.56	74 099 090	37 512 544	24.3
C. & E. I	11 759 235	1 871 349 417	159	1.553	9.76	65 135 728	32 267 071	28.7
C. & N. W	48 607 124	7 579 553 676	156	2.072	13.29	377 645 665	193 299 602	20.1
C. B. & Q	39 176 051	11 754 595 862	300	3.099	10.33	496 082 644	260 326 665	23.7
C. G. W	5 853 531	1 729 319 825	295	3.029	10.25	84 485 476	33 377 439	20.5
C. M. & St. P	42 034 285	10 601 913 667	252	2.760	10.94	478 002 655	239 055 275	22.2
C. St. P. M. & O	9 516 320	1 479 069 786	155	2.060	13.25	71 032 136	29 731 048	20.8
Illinois Central	47 670 424	14 151 817 246	297	2.514	8.47	556 703 765	295 277 716	25.4
M. & St. L	6 366 000	1 132 266 527	178	2.021	11.36	48 984 142	20 232 697	23.1
M. St. P. & S. S. M	14 383 633	3 115 229 445	217	2.470	11.41	143 120 055	55 660 217	21.8
Q. O. & K. C	499 933	63 217 821	126	1.699	13.44	2 757 062	951 981	22.9
Wabash	15 629 501	3 930 796 969	252	2.810	11.17	189 594 995	66 053 077	20.7
A. T. & S. F	28 864 957	9 029 371 063	313	4.606	14.73	498 498 679	245 766 666	18.1
B. S. L. & W	1 284 087	120 363 960	94	1.277	13.63	5 100 865	3 254 968	23.6
C. R. I. & G	3 354 375	292 304 859	87	1.335	15.31	14 207 234	7 366 466	20.6
C. R. I. & P	25 172 364	6 358 139 560	253	3.307	13.09	338 046 731	113 036 105	18.8
Ft. W. & D. C	2 611 068	461 678 556	177	2.264	14.84	21 488 988	10 344 381	21.5
G. H. & S. A	6 563 076	1 413 170 530	215	2.502	11.62	65 738 923	32 047 171	21.5
G. C. & S. F	6 860 510	1 589 140 689	232	2.724	11.75	69 800 242	34 191 046	22.8
H. & S	798 966	34 104 944	43	.784	18.38	1 228 397	588 555	27.8
H. & T. C	3 908 190	586 750 660	150	2.712	18.06	26 215 483	13 480 296	22.4
H. E. & W. T	1 459 802	148 188 946	102	1.714	16.88	6 631 078	4 255 774	22.4
I. G. N	3 857 959	618 063 625	160	2.782	17.37	31 566 115	14 929 908	19.6
K. C. M. & O	500 751	77 579 265	155	2.318	14.96	4 078 629	1 511 616	19.0
K. C. M. & O. of Tex	544 848	91 556 622	168	2.522	15.01	5 069 062	2 132 421	18.1
K. C. S	4 800 940	1 403 748 101	292	3.031	10.37	55 350 145	19 249 391	25.4
K. O. & G	2 010 433	203 031 000	101	1.297	12.84	6 612 000	3 875 000	30.7
K. O. & G. of Tex	[illegible]							

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I. C. C. Docket 15234

Ton-miles Revenue, Freight Car-miles, and Averages per Ton, per Ton-mile and per Car-mile

Year Ended December 31, 1922

Tonnage and averages			Freight-car miles		Averages per loaded freight-car mile				Freight revenue and expenses per 1,000,000 net ton-miles		
Average haul, miles	Revenue per ton	Revenue P. T. M., Mills	Loaded	Empty	Tons revenue freight	Revenue, cents	Expenses, cents	Net Revenue, cents	Revenue	Expenses	Net revenue
178	$1.876	10.56	74 099 090	37 512 544	24.3	25.7	23.3	2.4	10 561	$ 9 568	$ 993
159	1.553	9.76	65 135 728	32 267 071	28.7	28.0	25.4	2.6	9 756	8 863	893
156	2.072	13.29	377 645 665	193 299 602	20.1	26.7	21.9	4.8	13 285	10 895	2 390
300	3.099	10.33	496 082 644	260 326 665	23.7	24.5	19.2	5.3	10 327	8 080	2 247
295	3.029	10.25	84 485 476	33 377 439	20.5	21.0	18.3	2.7	10 253	8 930	1 323
252	2.760	10.94	478 002 655	239 055 275	22.2	24.3	19.9	4.4	10 942	8 947	1 995
155	2.060	13.25	71 032 136	29 731 048	20.8	27.6	23.1	4.5	13 253	11 110	2 143
297	2.514	8.47	556 703 765	295 277 716	25.4	21.5	16.5	5.0	8 469	6 488	1 981
178	2.021	11.36	48 984 142	20 232 697	23.1	26.3	21.6	4.7	11 365	9 325	2 040
217	2.470	11.41	143 120 055	55 660 217	21.8	24.8	18.4	6.4	11 406	8 461	2 945
126	1.699	13.44	2 757 062	951 981	22.9	30.8	31.0	d .2	13 439	13 537	d 98
252	2.810	11.17	189 594 995	66 053 077	20.7	23.2	19.4	3.8	11 170	9 331	1 839
313	4.606	14.73	498 498 679	245 766 666	18.1	26.7	19.7	7.0	14 726	10 846	3 880
94	1.277	13.63	5 100 865	3 254 968	23.6	32.2	19.8	12.4	13 627	8 384	5 243
87	1.335	15.31	14 207 234	7 366 466	20.6	31.5	24.7	6.8	15 314	12 025	3 289
253	3.307	13.09	338 046 731	143 036 105	18.8	24.6	20.0	4.6	13 092	10 613	2 479
177	2.264	14.84	21 488 988	10 344 381	21.5	31.9	27.5	4.4	14 832	12 779	2 053
215	2.502	11.62	65 738 923	32 047 171	21.5	25.0	20.9	4.1	11 622	9 729	1 893
232	2.724	11.75	69 800 242	34 191 046	22.8	26.8	20.1	6.7	11 760	8 839	2 921
43	.784	18.38	1 228 397	588 555	27.8	51.0	32.9	18.1	18 378	11 862	6 516
150	2.712	18.06	26 215 483	13 480 296	22.4	40.4	32.2	8.2	18 054	14 396	3 658
102	1.714	16.88	6 631 078	4 255 774	22.4	37.7	32.6	5.1	16 884	14.583	2 301
160	2.782	17.37	31 566 115	14 929 908	19.6	34.0	28.4	5.6	17 367	14 518	2 849
155	2.318	14.96	4 078 629	1 511 616	19.0	28.5	27.7	.8	14 959	14 560	399
168	2.522	15.01	5 069 062	2 132 421	18.1	27.1	27.0	.1	15 000	14 929	80
292	3.031	10.37	55 350 145	19 249 391	25.4	26.3	20.0	6.3	10 364	7 875	2 489
101	1.297	12.84	6 612 000	3 875 000	30.7	39.4	26.0	13.4	12 845	8 470	4 375
9	361	30.85	126 222	66 194	22.1	111.2	91.6	19.6	50 [illegible]	[illegible]	[illegible]

K. O. M. & O. of Tex	641 646	91 866 622	103	2.022	15.01	5 009 002	2 152 421	18.1
K. C. S.	4 800 940	1 403 748 101	292	3.031	10.37	55 350 145	19 249 391	25.4
K. O. & G.	2 010 433	203 031 000	101	1.297	12.84	6 612 000	3 875 000	30.7
K. O. & G. of Tex	420 679	3 828 179	9	.361	39.65	136 323	66 124	28.1
L. R. & N. Co.	1 570 374	188 898 821	120	1.922	15.98	8 106 781	4 047 864	23.3
xL. R. & N. Co. of Tex								
La. Western	3 319 741	220 088 144	66	.891	13.43	8 668 882	4 906 067	25.4
M. K. T.	6 648 453	1 657 444 955	249	3.519	14.12	80 811 941	44 169 264	20.5
M. K. T. of Tex	5 655 649	845 454 791	149	2.582	16.56	44 502 276	22 917 957	19.0
Mo. Pac.	26 149 053	5 995 683 688	229	2.827	12.33	288 238 354	117 458 564	20.8
M. L. & T.	3 575 979	376 774 506	105	1.696	16.10	18 090 846	6 476 984	23.4
N. O. T. & M.	1 698 565	182 987 653	108	1.437	13.34	7 170 054	3 389 958	25.5
P. H. & S. F.	2 758 640	547 594 479	199	2.243	11.30	34 389 808	16 109 227	15.9
St. L. F. & M.	922 239	210 844 564	229	3.757	16.43	11 103 987	7 624 210	19.0
St. L. S. F.	19 704 646	3 499 166 915	178	2.780	15.65	163 269 671	81 132 154	21.4
St. L. S. F. & Tex.	1 102 029	66 209 255	60	1.317	21.91	2 998 349	1 775 168	22.1
St. L. S. W.	3 879 552	1 191 598 394	307	4.189	13.64	57 297 645	21 788 478	20.8
St. L. S. W. of Tex.	2 535 912	343 806 560	136	2.384	17.59	18 448 371	10 217 502	18.6
S. A. & A. P.	1 371 633	193 072 644	141	3.281	23.31	11 588 182	6 258 752	16.7
T. & Ft. S.	3 012 325	103 967 427	35	.593	17.17	3 778 382	1 594 625	27.5
Texas & N. O.	4 468 631	430 957 364	96	1.419	14.72	19 005 592	11 967 619	22.7
Texas & Pacific	7 732 802	1 379 504 935	178	2.811	15.76	70 796 591	33 304 456	19.5
V. S. & P.	1 373 532	125 100 490	91	1.694	18.60	5 767 000	2 651 000	21.7

d—Deficit.
x—Prior to March 31, 1923, part of MKT Ry. of Texas.

2.022	13.01	3 009 002	2 132 421	18.1	27.1	27.0	.1	15 000	14 929	80
3.031	10.37	55 350 145	19 249 391	25.4	26.3	20.0	6.3	10 364	7 875	2 489
1.297	12.84	6 612 000	3 875 000	30.7	39.4	26.0	13.4	12 845	8 470	4 375
.361	39.65	136 323	66 124	28.1	111.3	91.9	19.4	39 647	32 725	6 922
1.922	15.98	8 106 781	4 047 864	23.3	37.2	28.6	8.6	15 981	12 292	3 689
.891	13.43	8 668 882	4 906 067	25.4	34.1	25.1	9.0	13 433	9 901	3 532
3.519	14.12	80 811 941	44 169 264	20.5	29.0	18.6	10.4	14 119	9 060	5 059
2.582	16.56	44 502 276	22 917 957	19.0	31.5	25.5	6.0	16 562	13 425	3 137
2.827	12.33	288 238 354	117 458 564	20.8	25 6	21.8	3.8	12 328	10 469	1 859
1.696	16.10	16 090 846	6 476 984	23.4	37.7	36.7	1.0	16 101	15 686	415
1.437	13.34	7 170 054	3 389 958	25.5	34.0	18.9	15.1	13 338	7 400	5 938
2.243	11.30	34 389 808	16 109 227	15.9	18.0	16.0	2.0	11 293	10 042	1 251
3.757	16.43	11 103 987	7 624 210	19.0	31.2	19.0	12.2	16 422	9 980	6 442
2.780	15.65	163 269 671	81 132 154	21.4	33.5	25.8	7.7	15 650	12 031	3 619
1.317	21.91	2 998 349	1 775 168	22.1	48.4	35.4	13.0	21 914	16 014	5 900
4.189	13.64	57 297 645	21 788 478	20.8	28.4	16.1	12.3	13 638	7 739	5 899
2.384	17.59	18 448 371	10 217 502	18.6	32.8	36.7	d 3.9	17 576	19 664	d 2 088
3.281	23.31	11 588 182	6 258 752	16.7	38.8	32.6	6.2	23 320	19 567	3 753
.593	17.17	3 778 382	1 594 625	27.5	47.2	26.5	20.7	17 163	9 622	7 541
1.419	14.72	19 005 592	11 967 619	22.7	33.4	30.9	2.5	14 716	13 630	1 086
2.811	15.76	70 796 591	33 304 456	19.5	30.7	24.8	5.9	15 752	12 731	3 021
1.694	18.60	5 767 000	2 651 000	21.7	40 4	33.5	6.9	18 601	15 426	3 175

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Averages per mile of road

Year ended December 31, 1922

Railroad	Ton-miles revenue freight	Operating revenues	Railway M. of W. and S.	Operating expenses				Net operating revenue	Railway operating income	Freight revenue
				M. of E.	Transportation	Other expenses	Total			
Chicago & Alton	1 725 529	$26 267	$3 523	$6 833	$10 532	$1 623	$22 511	$3 756	$2 831	$18 116
C. & E. I.	1 979 991	26 167	2 944	6 949	10 955	1 514	22 362	3 805	2 577	19 317
C. & N. W.	901 918	17 385	2 300	3 624	7 503	756	14 183	3 202	2 127	11 983
C. B. & Q.	1 251 329	17 556	2 211	3 804	6 693	788	13 496	4 060	2 897	12 922
C. G. W.	1 155 916	16 192	2 434	3 814	6 907	1 065	14 220	1 972	1 311	11 851
C. M. & St. P.	961 201	14 230	1 795	3 353	5 990	612	11 750	2 480	1 604	10 517
C. St. P. M. & O.	845 574	15 894	2 016	2 865	7 084	782	12 747	3 147	2 255	11 207
Illinois Central	2 957 834	32 367	4 292	7 574	11 691	1 342	24 899	7 468	5 122	25 049
M. & St. L.	686 264	9 430	1 361	1 771	4 484	468	8 084	1 346	842	7 797
M. St. P. & S. S. M.	710 660	10 746	1 570	1 668	4 583	492	8 313	2 433	1 733	8 105
Q. O. & K. C.	250 150	4 916	1 475	850	2 665	135	5 125	d 209	d 382	3 362
Wabash	1 589 511	23 317	3 344	4 967	9 740	1 375	19 426	3 891	2 966	17 756
A. T. & S. F.	1 019 437	21 622	3 385	4 888	6 800	774	15 847	5 775	3 846	15 012
B. S. L. & W.	1 013 591	17 299	3 489	2 201	5 400	1 199	12 289	5 010	4 478	13 812
C. R. I. & G.	633 751	12 752	1 855	1 980	5 869	725	10 429	2 323	2 001	9 706
C. R. I. & P.	830 586	15 572	1 939	3 291	6 553	726	12 509	3 063	2 274	10 874
Ft. W. D. & C.	1 011 765	21 295	1 884	4 656	6 846	1 354	14 740	6 555	5 593	15 017
G. H. & S. A.	1 024 148	16 128	2 970	3 282	6 355	974	13 581	2 547	1 996	11 901
G. C. & S. F.	832 996	12 786	2 127	2 822	4 071	684	9 704	3 082	2 597	9 795
H. & S.	837 137	18 853	2 581	2 691	6 272	625	12 169	6 684	5 680	15 385
H. & T. C.	635 582	16 343	3 138	3 141	5 770	844	12 893	3 450	2 689	11 480
Y. E. & W. T.	773 429	16 564	3 241	3 511	6 921	602	14 275	2 289	1 798	13 058
I. G. N.	533 043	12 656	1 961	2 442	5 367	821	10 591	2 065	1 714	9 257
K. C. M. & O.	285 008	5 055	1 056	1 052	2 727	468	5 303	d 248	d 559	4 264
K. C. M. & O. of Tex.	196 579	3 437	631	764	1 905	286	3 586	d 149	d 307	2 950
K. C. S.	1 828 750	23 738	3 040	4 980	8 337	1 604	17 961	5 777	4 261	18 957
K. O. & G.	645 670	9 131	1 391	1 052	3 308	610	6 562	2 569	2 188	8 292
K. O. & G. of Tex.	420 679	17 211	2 038	2 777	6 621	2 770	14 206	3 005	2 712	16 670
L. & N. Co.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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I. C. C. Docket 15234

Averages per mile of road

Year ended December 31, 1922

	Ton-miles revenue freight	Operating revenues	Railway M. of W. and S.	Operating expenses				Net operating revenue	Railway operating income	Freight revenue	Operating expenses, freight	Net freight revenue
				M. of E.	Transportation	Other expenses	Total					
....	1 725 529	$26 267	$3 523	$6 833	$10 532	$1 623	$22 511	$3 756	$2 831	$18 116	$16 413	$1 703
....	1 979 991	26 167	2 944	6 949	10 955	1 514	22 362	3 805	2 577	19 317	17 551	1 768
....	901 918	17 385	2 300	3 624	7 503	756	14 183	3 202	2 127	11 983	9 827	2 156
....	1 251 329	17 556	2 211	3 804	6 693	788	13 496	4 060	2 897	12 922	10 110	2 812
....	1 155 916	16 192	2 434	3 814	6 907	1 065	14 220	1 972	1 311	11 851	10 321	1 530
....	961 201	14 230	1 795	3 353	5 990	612	11 750	2 480	1 604	10 517	8 600	1 917
....	845 574	15 894	2 016	2 865	7 084	782	12 747	3 147	2 255	11 207	9 344	1 813
....	2 957 834	32 367	4 292	7 574	11 691	1 342	24 899	7 468	5 122	25 049	19 191	5 858
....	686 264	9 430	1 361	1 771	4 484	468	8 084	1 346	842	7 797	6 397	1 400
....	710 660	10 746	1 570	1 668	4 583	492	8 313	2 433	1 733	8 105	6 013	<2 092
....	250 150	4 916	1 475	850	2 665	135	5 125	d 209	d 382	3 362	3 386	d 24
....	1 589 511	23 317	3 344	4 967	9 740	1 375	19 426	3 891	2 966	17 756	14 832	2 924
....	1 019 437	21 622	3 385	4 888	6 800	774	15 847	5 775	3 846	15 012	11 056	3 956
....	1 013 591	17 299	3 489	2 201	5 400	1 199	12 289	5 010	4 478	13 812	8 498	5 314
....	633 751	12 752	1 855	1 980	5 869	725	10 429	2 323	2 001	9 706	7 621	2 085
....	830 586	15 572	1 939	3 291	6 553	726	12 509	3 063	2 274	10 874	8 815	2 059
....	1 011 765	21 295	1 884	4 656	6 846	1 354	14 740	6 555	5 593	15 017	12 938	2 079
....	1 024 148	16 128	2 970	3 282	6 355	974	13 581	2 547	1 996	11 901	9 962	1 939
....	832 996	12 786	2 127	2 822	4 071	684	9 704	3 082	2 597	9 795	7 362	2 433
....	837 137	18 853	2 581	2 691	6 272	625	12 169	6 684	5 680	15 385	9 930	5 455
....	635 582	16 343	3 138	3 141	5 770	844	12 893	3 450	2 689	11 480	9 154	2 326
....	773 429	16 564	3 241	3 511	6 921	602	14 275	2 289	1 798	13 058	11 279	1 779
....	533 043	12 656	1 961	2 442	5 367	821	10 591	2 065	1 714	9 257	7 738	1 519
....	285 008	5 055	1 056	1 052	2 727	468	5 303	d 248	d 559	4 264	4 150	114
....	196 579	3 437	631	764	1 905	286	3 586	d 149	d 307	2 950	2 935	15
....	1 828 750	23 738	3 040	4 980	8 337	1 604	17 961	5 777	4 261	18 957	14 404	4 553
....	645 670	9 131	1 391	1 052	3 308	610	6 562	2 569	2 188	8 292	5 468	2 824
....	420 679	17 211	2 038	2 777	6 621	2 770	14 206	3 005	2 712	16 679	13 767	2 912
....	549 651	10 [illegible]	2 174	1 681	4 052	750	8 857	1 890	1 222	8 784	8 258	2 [illegible]

K. C. S.	1 828 750	23 738	3 040	4 980	8 337	1 604	17 961	5 777	4 261	18 957
K. O. & G.	645 670	9 131	1 391	1 052	3 308	610	6 562	2 569	2 188	8 292
K. O. & G. of Tex.	420 679	17 211	2 038	2 777	6 621	2 770	14 206	3 005	2 712	16 679
L. R. & N. Co.	549 651	10 487	2 174	1 681	4 052	750	8 657	1 830	1 222	8 784
xL. R. & N. Co. of Tex.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
La. Western	1 059 440	20 714	3 071	4 392	5 896	1 733	15 092	5 622	4 156	14 231
M. K. T.	992 185	19 151	2 056	3 940	5 805	1 010	12 811	6 340	5 069	14 005
M. K. T. of Tex.	486 483	12 354	1 982	2 163	4 870	765	9 780	2 574	2 175	8 057
Mo. Pac.	825 649	13 760	2 380	2 891	5 667	720	11 658	2 102	1 543	10 179
M. L. & T.	940 361	21 298	4 199	5 157	8 255	1 587	19 198	2 100	672	15 140
N. O. T. & M.	956 948	15 371	2 245	2 978	3 368	913	9 504	5 867	4 488	12 764
P. H. & S. F.	638 378	9 465	2 240	2 674	3 047	347	8 308	1 157	744	7 215
St. L. B. & M.	383 200	9 291	1 682	1 330	2 556	689	6 257	3 034	2 654	6 298
St. L. S. F.	734 979	16 629	2 400	3 089	6 314	620	12 423	4 206	3 436	11 502
St. L. S. F. & Tex.	492 592	12 715	2 694	2 061	4 796	939	10 490	2 225	2 033	10 795
St. L. S. W.	1 230 164	19 149	2 393	2 884	5 246	1 235	11 758	7 391	6 449	16 777
St. L. S. W. of Tex.	425 856	9 428	2 454	2 524	4 968	726	10 672	d 1 243	d 1 641	7 489
S. A. & A. P.	261 135	7 818	1 479	1 839	3 240	561	7 119	699	451	6 088
T. & Ft. S.	1 090 606	22 450	2 403	2 920	6 544	1 737	13 604	8 846	7 198	18 724
Texas & N. O.	848 425	17 221	3 962	4 076	6 806	999	15 843	1 378	633	12 485
Texas & Pacific	796 446	16 071	2 587	3 351	6 065	1 053	13 056	3 015	2 380	11 132
V. S. & P.	729 704	21 687	3 686	3 834	8 292	1 792	17 594	4 093	2 733	13 573

d—Deficit.
x—Prior to March 31, 1923, part of M. K. T. Ry. of Texas.

.....	1 828 750	23 738	3 040	4 980	8 337	1 604	17 961	5 777	4 261	18 957	14 404	4 553
.....	645 670	9 131	1 391	1 052	3 308	610	6 562	2 569	2 188	8 292	5 468	2 824
.....	420 679	17 211	2 038	2 777	6 621	2 770	14 206	3 005	2 712	16 679	13 767	2 912
.....	549 651	10 487	2 174	1 681	4 052	750	8 657	1 830	1 222	8 784	6 756	2 028
Tex.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	1 059 440	20 714	3 071	4 392	5 896	1 733	15 092	5 622	4 156	14 231	10 489	3 742
.....	992 185	19 151	2 056	3 940	5 805	1 010	12 811	6 340	5 069	14 005	8 987	5 018
.....	486 483	12 354	1 982	2 163	4 870	765	9 780	2 574	2 175	8 057	6 531	1 526
.....	825 649	13 760	2 380	2 891	5 667	720	11 658	2 102	1 543	10 179	8 644	1 536
.....	940 361	21 298	4 199	5 157	8 255	1 587	19 198	2 100	672	15 140	14 750	390
.....	956 948	15 371	2 245	2 978	3 368	913	9 504	5 867	4 488	12 764	7 082	5 682
.....	638 378	9 465	2 240	2 674	3 047	347	8 308	1 157	744	7 215	6 416	799
.....	383 200	9 291	1 682	1 330	2 556	689	6 257	3 034	2 654	6 298	3 827	2 471
.....	734 979	16 629	2 400	3 089	6 314	620	12 423	4 206	3 436	11 502	8 842	2 660
.....	492 592	12 715	2 694	2 061	4 796	939	10 490	2 225	2 033	10 795	7 888	2 907
.....	1 230 164	19 149	2 393	2 884	5 246	1 235	11 758	7 391	6 449	16 777	9 520	7 257
.....	425 856	9 428	2 454	2 524	4 968	726	10 672	d 1 243	d 1 641	7 489	8 379	d 890
.....	261 135	7 818	1 479	1 839	3 240	561	7 119	699	451	6 088	5 108	980
.....	1 090 606	22 450	2 403	2 920	6 544	1 737	13 604	8 846	7 198	18 724	10 497	8 227
.....	848 425	17 221	3 962	4 076	6 806	999	15 843	1 378	633	12 485	11 564	921
.....	796 446	16 071	2 587	3 351	6 065	1 053	13 056	3 015	2 380	11 132	8 997	2 135
.....	729 704	21 687	3 686	3 834	8 292	1 792	17 594	4 093	2 733	13 573	11 256	2 317

ch 31, 1923, part of M. K. T. Ry. of Texas.

1922

I. C. C. Docket 15234

Freight Train and Locomotive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles), Switching Locomotive Miles, and Averages per Freight Train Mile

Year Ended December 31, 1922

Railroad	Train and locomotive miles				Averages per Freight Trai			
	Freight Train miles	Freight Train Locomotive miles	Train Switching locomotive miles	Yard Switching locomotive miles	Train Locomotive Miles	Car Miles		
						Loaded	Empty	Total
Chicago & Alton	3 370 633	3 487 385	136 229	1 443 241	1.035	22.0	11.1	33.1
C. & E. I	2 646 955	2 738 858	142 593	1 604 514	1.035	24.6	12.2	36.8
C. & N. W	17 606 038	18 475 182	780 952	8 608 656	1.049	21.4	11.0	32.4
C. B. & Q	18 692 860	20 475 522	871 880	7 975 738	1.095	26.6	13.9	40.5
C. G. W	2 933 535	3 437 619	170 486	1 214 474	1.172	28.8	11.4	40.2
C. M. & St. P	19 535 159	20 971 488	1 724 472	8 354 882	1.074	24.5	12.2	36.7
C. St. P. M. & O	3 856 385	4 323 705	419 843	1 758 669	1.121	18.4	7.7	26.1
Illinois Central	20 214 364	20 932 663	703 355	7 323 847	1.036	27.6	14.6	42.2
M. & St. L	2 726 738	2 959 550	151 306	735 225	1.085	18.0	7.4	25.4
M. St. P. & S. S. M	6 468 272	6 831 331	526 032	1 781 508	1.056	22.1	8.6	30.7
Q. U. & K. C	209 757	272 037	5 154	22 010	1.297	13.2	4.5	17.7
Wabash	6 536 196	6 953 642	375 695	2 850 507	1.064	29.0	10.1	39.1
A. T. & S. F	18 402 639	20 325 357	562 438	6 353 164	1.104	27.1	13.3	40.4
B. S. L. & W	166 951	173 133	7 748	20 514	1.037	30.6	19.5	50.1
C. R. I. & G	831 310	852 427	27 442	246 038	1.025	17.1	8.9	26.0
C. R. I. & P	15 320 221	15 719 994	1 042 071	5 493 480	1.026	22.1	9.3	31.4
Ft. W. & D. C	889 951	908 717	58 363	417 739	1.021	24.2	11.6	35.8
G. H. & S. A	2 862 673	2 891 655	161 477	654 664	1.010	23.0	11.2	34.2
G. C. & S. F	2 675 233	2 829 371	119 564	688 013	1.058	26.1	12.8	38.9
H. & S	96 250	99 290	4 062	34 972	1.032	12.8	6.1	18.9
H. & T. C	1 414 087	1 428 404	66 936	471 262	1.010	18.6	9.5	28.1
H. E. & W. T	561 091	578 231	100 474	18 974	1.031	11.8	7.6	19.4
I. G. N	1 614 135	1 660 234	142 096	749 972	1.029	19.6	9.2	28.8
K. C. M. & O	241 448	245 836	12 366	70 176	1.018	16.9	6.3	23.2
K. C. M. & O. of Tex	360 175	366 650	18 666	56 922	1.018	14.1	5.9	20.0
K. C. S	1 887 725	2 075 459	35 513	822 817	1.099	29.3	10.2	39.5
K. O. & G	410 889	411 189	17 532	123 022	1.001	16.1	9.4	25.5

1922

I. C. C. Docket 15234

Freight Train and Locomotive Miles (Including a Proportion of Mixed Train Miles and Mixed Train Locomotive Miles), Switching Locomotive Miles, and Averages per Freight Train Mile

Year Ended December 31, 1922

Train and locomotive miles				Averages per Freight Train Mile							
					Car Miles						
ight ain iles	Freight Train Locomotive miles	Train Switching locomotive miles	Yard Switching locomotive miles	Train Locomotive Miles	Loaded	Empty	Total	Tons Revenue Freight	Revenue	Expenses	Net Revenue
70 633	3 487 385	136 229	1 443 241	1.035	22.0	11.1	33.1	535	$5.65	$5.12	$ .53
46 955	2 738 858	142 593	1 604 514	1.035	24.6	12.2	36.8	707	6.90	6.27	.63
06 038	18 475 182	780 952	8 608 656	1.049	21.4	11.0	32.4	431	5.72	4.69	1.03
92 860	20 475 522	871 880	7 975 738	1.095	26.6	13.9	40.5	629	6.49	5.08	1.41
33 535	3 437 619	170 486	1 214 474	1.172	28.8	11.4	40.2	590	6.04	5.26	.78
35 159	20 971 438	1 724 472	8 354 882	1.074	24.5	12.2	36.7	543	5.94	4.86	1.08
56 385	4 323 705	419 843	1 758 669	1.121	18.4	7.7	26.1	384	5.08	4.26	.82
14 364	20 932 663	703 355	7 323 847	1.036	27.6	14.6	42.2	700	5.93	4.54	1.39
25 738	2 959 550	151 306	735 225	1.085	18.0	7.4	25.4	415	4.72	3.87	.85
58 272	6 831 331	526 032	1 781 508	1.056	22.1	8.6	30.7	482	5.49	4.07	1.42
7 757	272 037	5 154	22 010	1.297	13.2	4.5	17.7	301	4.05	4.08	d .03
36 196	6 953 642	375 695	2 850 507	1.064	29.0	10.1	39.1	601	6.72	5.61	1.11
12 639	20 325 357	562 438	6 353 164	1.104	27.1	13.3	40.4	491	7.22	5.32	1.90
18 951	173 133	7 748	20 514	1.037	30.6	19.5	50.1	721	9.82	6.04	3.78
11 310	852 427	27 442	246 038	1.025	17.1	8.9	26.0	352	5.38	4.23	1.15
59 221	15 719 994	1 042 071	5 493 480	1.026	22.1	9.3	31.4	415	5.43	4.40	1.03
39 951	908 717	58 363	417 739	1.021	24.2	11.6	35.8	519	7.70	6.63	1.07
12 673	2 891 655	161 477	654 664	1.010	23.0	11.2	34.2	494	5.73	4.80	.93
75 233	2 829 371	119 564	688 013	1.058	26.1	12.8	38.9	594	6.99	5.25	1.74
16 250	99 290	4 062	34 972	1.032	12.8	6.1	18.9	354	6.51	4.20	2.31
14 087	1 428 404	66 936	471 262	1.010	18.6	9.5	28.1	415	7.50	5.98	1.52
11 091	578 231	100 474	18 974	1.031	11.8	7.6	19.4	264	4.46	3.85	.61
135	1 660 234	142 096	749 972	1.029	19.6	9.2	28.8	383	6.65	5.56	1.09
448	245 836	12 366	70 176	1.018	16.9	6.3	23.2	321	4.81	4.68	.13
175	366 650	18 666	56 922	1.018	14.1	5.9	20.0	254	3.82	3.80	.02
725	2 075 459	35 513	822 817	1.099	29.3	10.2	39.5	744	7.71	5.86	1.85
889	411 189	17 532	123 022	1.001	16.1	9.4	25.5	494	6.35	4.19	2.16

K. C. M. & O. of Tex	360 175	366 650	18 666	56 922	1.018	14.1	5.9	20.0
K. C. S	1 887 725	2 075 459	35 513	822 817	1.099	29.3	10.2	39.5
K. O. & G	410 889	411 189	17 532	123 022	1.001	16.1	9.4	25.5
K. O. & G. N. of Tex	10 566	10 575	.....	18 036	1.001	12.9	6.3	19.2
L. R. & N. Co	428 316	429 893	3 515	210 442	1.004	18.9	9.5	28.4
xL. R. & N. Co. of Tex	.....	.....	.....	.....	....	....	....	....
La. Western	309 790	319 063	27 594	83 830	1.030	28.0	15.8	43.8
M. K. T	2 907 020	2 985 109	139 038	1 033 158	1.027	27.8	15.2	43.0
M. K. T. of Tex	2 342 229	2 441 160	248 847	768 927	1.042	19.0	9.8	28.8
Mo. Pac	11 828 985	12 330 994	957 513	4 672 353	1.042	24.4	9.9	34.3
M. L. & T	607 353	630 464	96 372	533 338	1.038	26.5	10.7	37.2
N. O. T. & M	222 813	229 835	25 260	81 841	1.032	32.2	15.2	47.4
P. H. & S. F	1 156 060	1 190 328	2 025	13 218	1.030	29.8	13.9	43.7
St. L. B. & M	459 982	461 998	80 760	62 957	1.004	24.1	16.6	40.7
St. L. S. & F	9 117 185	9 391 824	1 150 110	3 012 513	1.030	17.9	8.9	26.8
St. L. S. F. & Tex	161 552	162 550	17 988	91 124	1.006	18.6	11.0	29.6
St. L. S. W	1 808 363	1 834 156	96 086	399 858	1.014	31.7	12.0	43.7
St. L. S. W. of Tex	1 193 805	1 214 151	109 416	372 054	1.017	15.4	8.6	24.0
S. A. & A. P	905 689	914 481	117 846	217 192	1.010	12.8	6.9	19.7
T. & Ft. S	129 668	131 538	3 726	116 283	1.014	29.1	12.3	41.4
Texas & N. O	954 715	963 229	87 685	748 866	1.009	19.9	12.5	32.4
Texas & Pacific	2 905 958	2 950 263	186 018	1 136 040	1.015	24.4	11.4	35.8
V. S. & P	317 076	323 105	22 206	216 084	1.019	18.2	8.4	26.6

d—Deficit.
x—Prior to March 31, 1923, part of M. K. T. Ry. of Texas.

[illegible]	[illegible]	[illegible]	[illegible]	1.018	16.9	6.3	23.2	321	4.81	4.68	.13
175	366 650	18 666	56 922	1.018	14.1	5.9	20.0	254	3.82	3.80	.02
725	2 075 459	35 513	822 817	1.099	29.3	10.2	39.5	744	7.71	5.86	1.85
889	411 189	17 532	123 022	1.001	16.1	9.4	25.5	494	6.35	4.19	2.16
566	10 575	.....	18 036	1.001	12.9	6.3	19.2	362	14.37	11.86	2.51
316	429 893	3 515	210 442	1.004	18.9	9.5	28.4	441	7.05	5.42	1.63
...	.....	.....	.....	.....	.....	.....	.....	...	.....	.....	.....
790	319 063	27 594	83 830	1.030	28.0	15.8	43.8	710	9.54	7.03	2.51
020	2 985 109	139 038	1 033 158	1.027	27.8	15.2	43.0	570	8.05	5.17	2.88
229	2 441 160	248 847	768 927	1.042	19.0	9.8	28.8	361	5.98	4.85	1.13
985	12 330 994	957 513	4 672 353	1.042	24.4	9.9	34.3	506	6.25	5.31	.94
353	630 464	96 372	533 338	1.038	26.5	10.7	37.2	620	9.99	9.73	.26
813	229 835	25 260	81 841	1.032	32.2	15.2	47.4	821	10.96	6.08	4.88
060	1 190 328	2 025	13 218	1.030	29.8	13.9	43.7	474	5.35	4.76	.59
982	461 998	80 760	62 957	1.004	24.1	16.6	40.7	458	7.54	4.58	2.96
185	9 391 824	1 150 110	3 012 513	1.030	17.9	8.9	26.8	384	6.01	4.62	1.39
552	162 550	17 988	91 124	1.006	18.6	11.0	29.6	410	8.98	6.56	2.42
363	1 834 156	96 086	399 858	1.014	31.7	12.0	43.7	659	8.99	5.10	3.89
805	1 214 151	109 416	372 054	1.017	15.4	8.6	24.0	288	5.07	5.67	d .60
689	914 481	117 846	217 192	1.010	12.8	6.9	19.7	213	4.97	4.17	.80
668	131 538	3 726	116 283	1.014	29.1	12.3	41.4	802	13.77	7.72	6.05
715	963 229	87 685	748 866	1.009	19.9	12.5	32.4	451	6.64	6.15	.49
958	2 950 263	186 018	1 136 040	1.015	24.4	11.4	35.8	475	7.48	6.05	1.43
076	323 105	22 206	216 084	1.019	18.2	8.4	26.6	395	7.34	6.09	1.25

d M. K. T. Ry. of Texas.

[fol. 293] Exhibit A-54 is based upon the data shown in exhibit A-51, A-52, and A-53. I have grouped the railroads, dividing them first as between Western Trunk Lines and Southwestern lines, and have shown three subdivisions for the Southwestern lines, designated as Texas lines, Louisiana lines and other southwestern lines (Tr. 4371).

Exhibit A-54 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-54, side folios 294, 295, 296, 297, and 298)

[fol. 294]

EXHIBIT No. "A 54"
Parsons
Page 2
I. C. C. Docket 15234

	Year Ended December 31, 1924				
	Western Trunk Lines	Texas Lines	Louisiana Lines	Other Southwestern Lines	All Southwestern Lines
Average Miles of Road Operated	47 739	14 311	1 367	32 935	48 613
Railway Operating Revenues	$861 647 922	$222 289 822	$25 252 936	$603 410 743	$850 953 501
Railway Operating Expenses—					
Maintenance of Way & Structures	119 110 099	36 276 294	4 936 003	84 403 345	125 615 642
Maintenance of Equipment	183 964 666	41 491 574	4 834 705	130 332 256	176 658 535
Transportation	330 875 857	73 608 464	8 915 954	207 330 815	289 855 233
Other Expenses	41 498 306	12 615 763	1 944 601	28 063 280	42 623 644
Total Expenses	675 448 928	163 992 095	20 631 263	450 129 696	634 753 054
Net Railway Operating Revenues	186 198 994	58 297 727	4 621 673	153 281 047	216 200 447
Railway Tax Accruals	52 493 393	8 749 554	1 789 465	36 531 004	47 070 023
Uncollectible Railway Revenues	404 742	138 656	18 137	240 671	397 464
Railway Operating Income	133 300 859	49 409 517	2 814 071	116 509 372	168 732 960
Operating Ratio	78.39%	73.77%	81.70%	74.60%	74.59
Total Expense Ratio	84.53%	77.77%	88.86%	80.69%	80.17
Total Freight Service Revenue	$657 475 608	$171 349 497	$19 521 969	$451 536 138	$642 407 604
Freight Revenue	640 681 920	168 541 935	19 101 595	443 088 033	630 731 563
Railway Operating Expenses—Freight—					
Maintenance of Way & Structures	87 888 235	27 212 740	3 624 186	60 774 490	91 611 416
Maintenance of Equipment	140 434 551	32 191 810	3 757 234	97 452 542	133 401 586
Transportation	245 353 222	55 141 434	6 771 981	150 492 129	212 405 544
Other Expenses	23 704 622	7 633 259	1 271 901	16 850 796	25 755 956
Total Expenses	497 380 630	122 179 243	15 425 302	325 569 957	463 174 502
Net Freight Revenue	143 301 290	46 362 692	3 676 293	117 518 076	167 557 061
Net Freight Service Revenue	160 094 978	49 170 254	4 096 667	125 966 181	179 233 102

EXHIBIT No. "A 54"

Parsons

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31, 1924	Year Ended December 31, 1923						
	Other Southwestern Lines	All Southwestern Lines	Western Trunk Lines	Texas Lines	Louisiana Lines	Other Southwestern Lines	All Southwestern Lines
367	32 935	48 613	47 730	14 389	1 368	32 703	48 460
936	$603 410 743	$850 953 501	$916 770 803	$201 748 712	$25 911 343	$607 598 697	$835 258 752
003	84 403 345	125 615 642	126 682 554	34 210 396	4 597 796	81 254 153	120 062 345
705	130 332 256	176 658 535	208 708 741	43 380 922	5 162 898	144 271 547	192 815 367
954	207 330 815	289 855 233	357 615 563	72 175 284	8 831 855	212 960 329	293 967 468
601	28 063 280	42 623 644	41 079 182	11 428 488	1 845 339	26 294 074	39 567 901
263	450 129 696	634 753 054	734 086 040	161 195 090	20 437 888	464 780 103	646 413 081
673	153 281 047	216 200 447	182 684 763	40 553 622	5 473 455	142 818 594	188 845 671
465	36 531 004	47 070 023	48 388 188	7 312 425	1 972 803	37 651 224	46 936 452
137	240 671	397 464	226 440	130 482	14 135	216 618	361 235
071	116 509 372	168 732 960	134 070 135	33 110 715	3 486 517	104 950 752	141 547 984
70%	74.60%	74.59%	80.07%	79.89%	78.88%	76.49%	77.39%
86%	80.69%	80.17%	85.37%	83.58%	86.54%	82.73%	83.05%
069	$451 536 138	$642 407 604	.....	.....	.....	.....	.....
595	448 088 033	630 731 563	683 363 385	147 282 951	19 209 299	431 716 813	598 209 063
186	60 774 490	91 611 416	94 986 381	24 881 868	3 244 753	58 894 756	87 021 377
234	97 452 542	133 401 586	162 377 275	33 010 387	3 896 862	107 571 332	144 478 581
981	150 492 129	212 405 544	270 406 806	53 389 791	6 506 055	154 999 028	214 894 874
401	16 850 796	25 755 956	23 891 596	6 940 150	1 216 196	17 348 143	25 504 489
92	325 569 957	463 174 502	551 662 058	118 222 196	14 863 866	338 813 259	471 899 321
93	117 518 076	167 557 061	131 701 327	29 060 755	4 345 433	92 903 554	126 309 742
67	125 966 181	179 233 102					

Net Freight Revenue	143 301 290	46 362 692	3 676 293	117 518 076	167 557 061
Net Freight Service Revenue	160 094 978	49 170 254	4 096 667	125 966 181	179 233 102
Operating Ratio—Freight	x75.65%	x71.30%	x79.01%	x72.10%	x72.10%
Tons Revenue Freight	276 508 906	78 516 870	14 812 665	143 705 314	237 034 849
Ton Miles Revenue Freight	62 200 374 596	12 212 170 969	1 416 514 619	35 616 897 217	49 245 582 805
Car Miles—					
Loaded	2 771 387 425	594 529 611	59 915 201	1 765 529 949	2 419 974 761
Empty	1 492 031 447	317 417 476	31 334 521	906 110 183	1 254 862 180
Total	4 263 418 872	911 947 087	91 249 722	2 671 640 132	3 674 836 941
Freight Train Miles	107 282 473	25 074 068	2 397 121	68 249 716	95 720 905
Locomotive Miles—					
Freight Train	114 533 674	25 764 958	2 435 048	72 560 925	100 760 931
Train Switching	6 577 435	1 845 040	207 864	4 432 107	6 485 011
Yard Switching—Freight	51 491 321	8 689 061	1 527 044	26 268 102	36 484 207
Total Freight Service	172 602 430	36 299 059	4 169 956	103 261 134	143 730 149

x—Ratio of Freight Operating Expenses to Total Freight Service Revenue.

293	117 518 076	167 557 061	131 701 327	29 060 755	4 345 433	92 903 554	126 309 742
667	125 966 181	179 233 102					
.01%	x72.10%	x72.10%	80.73%	80.27%	77.38%	78.48%	78.89%
665	143 705 314	237 034 849	296 923 381	69 183 147	14 470 482	138 451 863	222 105 492
619	35 616 897 217	49 245 582 805	773 236 714	10 488 044 986	1 319 403 586	33 874 241 328	45 681 689 900
201	1 765 529 949	2 419 974 761	930 199 215	519 229 770	54 615 312	1 695 979 903	2 269 824 985
521	906 110 183	1 254 862 180	551 094 436	264 977 010	27 347 217	839 584 613	1 131 908 840
722	2 671 640 132	3 674 836 941	481 293 651	784 206 780	81 962 529	2 535 564 516	3 401 733 825
121	68 249 716	95 720 905	116 785 632	23 524 128	2 232 515	69 658 242	95 414 885
048	72 560 925	100 760 931	124 495 900	24 091 045	2 274 542	73 910 488	100 276 073
864	4 432 107	6 485 011	6 707 303	1 793 235	226 230	4 323 332	6 342 797
044	26 268 102	36 484 207	51 351 930	7 485 652	1 329 449	24 995 968	33 811 069
956	103 261 134	143 730 149	182 555 133	33 369 930	3 830 221	103 229 788	140 429 939

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Year Ended December 31, 1922

	Western Trunk Lines	Texas Lines	Louisiana Lines	Other Southwestern Lines	All Southwestern Lines
Average Miles of Road Operated	47 612	14 456	1 356	32 528	48 340
Railway Operating Revenues	$848 749 130	$191 061 960	$23 865 916	$562 810 127	$777 738 003
Railway Operating Expenses—					
Maintenance of Way & Structures	111 854 264	33 409 003	4 233 849	82 404 311	120 047 163
Maintenance of Equipment	186 607 709	39 348 979	4 890 804	117 998 295	162 238 078
Transportation	344 328 629	72 289 943	8 245 986	204 569 805	285 105 734
Other Expenses	39 374 784	11 608 788	1 760 836	25 029 674	38 399 298
Total Expenses	682 165 386	156 656 713	19 131 475	430 002 085	605 790 273
Net Railway Operating Revenues	166 583 744	34 405 247	4 734 441	132 808 042	171 947 730
Railway Tax Accruals	51 599 784	7 078 530	1 615 187	35 059 932	43 753 649
Uncollectible Railway Revenues	149 368	101 824	8 451	193 929	304 204
Railway Operating Income	114 834 592	27 224 893	3 110 803	97 554 181	127 889 877
Operating Ratio	80.37%	81.99%	80.16%	76.40%	77.89%
Total Expense Ratio	86.47%	85.75%	86.97%	82.67%	83.56%
Total Freight Service Revenue:					
Freight Revenue	$625 720 751	$138 956 817	$17 436 007	$402 851 058	$559 243 882
Railway Operating Expenses—Freight—					
Maintenance of Way & Structures	81 636 973	23 686 244	2 554 313	58 027 253	84 267 810
Maintenance of Equipment	144 822 316	29 967 678	4 049 889	88 692 178	122 709 745
Transportation	254 547 360	52 630 266	5 969 959	145 745 477	204 345 702
Other Expenses	23 372 601	8 015 942	1 525 261	15 950 340	25 491 543
Total Expenses	504 379 250	114 300 130	14 099 422	308 415 248	434 814 800
Net Freight Revenue	121 341 501	24 656 687	3 336 585	94 435 810	122 429 082

Total Expenses	364 379 250	114 300 130	14 099 422	308 415 248	434 814 800
Net Freight Revenue	121 341 501	24 656 687	3 336 585	94 435 810	122 429 082
Net Freight Service Revenue Operating Ratio—Freight	80.61%	82.25%	80.86%	76.56%	78.11%
Tons Revenue Freight	251 639 935	60 424 454	12 337 157	117 731 149	190 492 760
Ton-Miles Revenue Freight	59 211 310 641	9 446 458 647	1 127 954 558	29 415 762 941	39 990 176 146
Car Miles—					
Loaded	2 587 643 413	462 565 851	47 031 960	1 492 203 795	2 001 801 606
Empty	1 263 745 332	233 838 071	22 060 428	677 987 238	933 885 737
Total	3 851 388 745	696 403 922	69 092 388	2 170 191 033	2 935 687 343
Freight Train Miles	104 796 892	21 595 830	1 981 598	61 924 475	85 501 903
Locomotive Miles—					
Freight Train	111 858 932	22 129 095	2 031 650	65 319 918	89 480 663
Train Switching	6 017 997	1 557 077	179 009	4 012 667	5 748 753
Yard Switching—Freight	43 673 271	6 868 759	1 160 507	21 980 541	30 009 807
Total Freight Service	161 550 200	30 554 931	3 371 166	91 313 126	125 239 223

x Ratio of Freight Operating Expenses to Total Freight Service Revenue.

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	Year Ended December 31, 1924					Year Ended December		
	Western Trunk Lines	Texas Lines	Louisiana Lines	Other South-Western Lines	All South-Western Lines	Western Trunk Lines	Texas Lines	Louisiana Lines
Averages per Miles of Road								
Railway Operating Revenues	$18 049	$15 533	$18 473	$18 321	$17 505	$19 207	$14 021	$18 941
Railway Operating Expenses—								
Maintenance of Way & Structure	2 495	2 535	3 610	2 563	2 584	2 653	2 377	3 361
Maintenance of Equipment	3 854	2 899	3 537	3 957	3 634	4 373	3 015	3 774
Transportation	6 931	5 143	6 522	6 295	5 963	7 492	5 016	6 456
Other Expenses	869	882	1 423	852	877	862	795	1 349
Total Expenses	14 149	11 459	15 092	13 667	13 058	15 380	11 203	14 940
Net Railway Operating Revenues	3 900	4 074	3 381	4 654	4 447	3 827	2 818	4 001
Railway Tax Accruals	1 100	611	1 309	1 109	968	1 014	508	1 442
Uncollectible Railway Revenues	8	10	13	7	8	5	9	10
Railway Operating Income	2 792	3 453	2 059	3 538	3 471	2 808	2 301	2 549
Total Freight Service Revenue	$13 772	$11 973	$14 281	$13 710	$13 215	$14 317	$10 236	$14 042
Freight Revenue	13 421	11 777	13 973	13 453	12 975			
Railway Operating Expenses—Freight—								
Maintenance of Way & Structures	1 841	1 902	2 652	1 845	1 884	1 990	1 729	2 372
Maintenance of Equipment	2 942	2 249	2 748	2 959	2 745	3 402	2 294	2 849
Transportation	5 139	3 853	4 954	4 569	4 369	5 665	3 711	4 755
Other Expenses	497	533	930	512	530	501	482	889
Total Expenses	10 419	8 537	11 284	9 885	9 528	11 558	8 216	10 865
Net Freight Revenue	3 002	3 240	2 689	3 568	3 447	2 759	2 020	3 177
Net Freight Service Revenue	3 353	3 346	2 997	3 825	3 687			
Ton Miles Revenue Freight	1 302 926	853 342	1 036 221	1 081 430	1 013 012	1 398 978	728 893	964 476
Averages per Million Revenue Net Ton Miles								
Freight Revenue	$10 300	$13 801	$13 485	$12 440	$12 808	$10 234	$14 043	$14 559
Operating Expenses—Freight—								
Maintenance of Way & Structures	1 413	2 229	2 559	1 706	1 860	1 423	2 372	

r 31, 1924		Year Ended December 31, 1923					Year Ended December 31, 1922				
Other South-Western Lines	All South-Western Lines	Western Trunk Lines	Texas Lines	Louisiana Lines	Other South-Western Lines	All South-Western Lines	Western Trunk Lines	Texas Lines	Louisiana Lines	Other South-Western Lines	All South-Western Lines
$18 321	$17 505	$19 207	$14 021	$18 941	$18 579	$17 236	$17 827	$13 217	$17 600	$17 302	$16 088
2 563	2 584	2 653	2 377	3 361	2 485	2 478	2 349	2 311	3 122	2 533	2 483
3 957	3 634	4 373	3 015	3 774	4 412	3 979	3 920	2 722	3 607	3 628	3 356
6 295	5 963	7 492	5 016	6 456	6 511	6 066	7 232	5 001	6 082	6 289	5 898
852	877	862	795	1 349	804	816	827	803	1 298	769	794
13 667	13 058	15 380	11 203	14 940	14 212	13 339	14 328	10 837	14 109	13 219	12 531
4 654	4 447	3 827	2 818	4 001	4 367	3 897	3 499	2 380	3 491	4 083	3 557
1 109	968	1 014	508	1 442	1 151	969	1 084	490	1 191	1 078	905
7	8	5	9	10	6	7	3	7	6	6	6
3 538	3 471	2 808	2 301	2 549	3 210	2 921	2 412	1 883	2 294	2 999	2 646
$13 710	$13 215	$14 317	$10 236	$14 042	$13 201	$12 344	$13 142	$9 612	$12 858	$12 385	$11 569
13 453	12 975										
1 845	1 884	1 990	1 729	2 372	1 801	1 796	1 715	1 639	1 883	1 784	1 743
2 959	2 745	3 402	2 294	2 849	3 289	2 981	3 042	2 073	2 987	2 727	2 538
4 569	4 369	5 665	3 711	4 755	4 740	4 434	5 346	3 640	4 403	4 481	4 228
512	530	501	482	889	530	527	491	555	1 125	490	527
9 885	9 528	11 558	8 216	10 865	10 360	9 738	10 594	7 907	10 398	9 482	9 036
3 568	3 447	2 759	2 020	3 177	2 841	2 606	2 548	1 705	2 460	2 903	2 533
3 825	3 687										
1 081 430	1 013 012	1 398 978	728 893	964 476	1 035 814	942 668	1 243 622	653 463	831 825	904 321	827 269
$12 440	$12 808	$10 234	$14 043	$14 559	$12 745	$13 095	$10 568	$14 710	$15 458	$13 695	$13 984
1 706	1 860	1 423	2 372	2 459	1 739	1 905	1 379	2 508	2 265	1 973	2 107

Freight Revenue	$10 300	$13 801	$13 485	$12 440	$12 808	$10 234	$14 043	$14 559
Operating Expenses—Freight—								
Maintenance of Way & Structures	1 413	2 229	2 559	1 706	1 860	1 423	2 372	2 459
Maintenance of Equipment	2 258	2 636	2 652	2 736	2 709	2 432	3 147	2 954
Transportation	3 944	4 515	4 781	4 225	4 313	4 050	5 091	4 931
Other Expenses	381	625	898	472	523	357	662	922
Total Expense	7 996	10 005	10 890	9 140	9 405	8 262	11 272	11 266
Net Freight Revenue	2 304	3 796	2 595	3 300	3 403	1 972	2 771	3 293
Car Miles—								
Loaded	44 556	48 683	42 297	49 570	49 141	43 883	49 507	41 394
Empty	23 987	25 992	22 121	25 440	25 482	23 229	25 265	20 726
Total	68 543	74 675	64 418	75 010	74 623	67 112	74 772	62 120
Train Miles	1 725	2 053	1 693	1 916	1 944	1 749	2 243	1 692
Locomotive Miles—								
Train	1 841	2 110	1 719	2 037	2 046	1 864	2 297	1 724
Train Switching	106	151	147	124	132	100	171	171
Yard Switching	828	712	1 077	728	741	769	714	1 008
Total	2 775	2 973	2 943	2 899	2 919	2 733	3 182	2 903
Ratio of Train and Yard Switching to Total Locomotive Miles	33.66%	29.03%	41.59%	29.73%	29.91%	31.80%	27.81%	40.61%

5	$12 440	$12 808	$10 234	$14 043	$14 559	$12 745	$13 095	$10 568	$14 710	$15 458	$13 695	$13 984
9	1 706	1 860	1 423	2 372	2 459	1 739	1 905	1 379	2 508	2 265	1 973	2 107
2	2 736	2 709	2 432	3 147	2 954	3 176	3 163	2 446	3 172	3 590	3 015	3 069
1	4 225	4 313	4 050	5 091	4 931	4 576	4 704	4 299	5 571	5 293	4 955	5 110
8	472	523	357	662	922	511	558	395	849	1 352	542	627
0	9 140	9 405	8 262	11 272	11 266	10 002	10 330	8 519	12 100	12 500	10 485	10 923
5	3 300	3 403	1 972	2 771	3 293	2 743	2 765	2 049	2 610	2 958	3 210	3 061
7	49 570	49 141	43 883	49 507	41 394	50 067	49 688	43 702	48 967	41 697	50 728	50 057
1	25 440	25 482	23 229	25 265	20 726	24 785	24 778	21 343	24 754	19 558	23 048	23 353
3	75 010	74 623	67 112	74 772	62 120	74 852	74 466	65 045	73 721	61 255	73 776	73 410
3	1 916	1 944	1 749	2 243	1 692	2 056	2 089	1 770	2 286	1 757	2 105	2 138
0	2 037	2 046	1 864	2 297	1 724	2 182	2 195	1 889	2 343	1 801	2 221	2 238
7	124	132	100	171	171	128	139	102	165	159	136	144
7	728	741	769	714	1 008	738	740	738	727	1 029	747	750
3	2 899	2 919	2 733	3 182	2 903	3 048	3 074	2 729	3 235	2 989	3 104	3 132
%	29.73%	29.91%	31.80%	27.81%	40.61%	28.41%	28.59%	30.78%	27.57%	39.73%	28.45%	28.54%

	Year Ended December 31, 1924					Year Ended December 31, 1923			
	Western trunk lines	Texas lines	Louisiana lines	Other South-Western lines	All South-Western lines	Western trunk lines	Texas lines	Louisiana lines	Other South-Western lines
Averages per Freight Train Mile:									
Freight Revenue	$5.97	$6.72	$7.97	$6.49	$6.59	$5.85	$6.26	$8.61	$6.20
Operating Expenses—Freight	4.64	4.87	6.43	4.77	4.84	4.72	5.03	6.66	4.86
Net Freight Revenue	1.33	1.85	1.54	1.72	1.75	1.13	1.23	1.95	1.34
Tons Revenue Freight	580	487	591	522	514	572	446	591	486
Cars—									
Loaded	25.83	23.71	25.00	25.87	25.28	25.09	22.07	24.46	24.35
Empty	13.91	12.66	13.07	13.28	13.11	13.28	11.26	12.25	12.05
Total	39.74	36.37	38.07	39.15	38.39	38.37	33.33	36.71	36.40
Locomotive Miles—Train	1.068	1.028	1.016	1.063	1.053	1.066	1.024	1.019	1.061
Averages per Loaded Freight Car Mile:									
Freight Revenue	23.1c	28.4c	31.9c	25.1c	26.1c	23.3c	28.4c	35.2c	25.5c
Operating Expenses—Freight	17.9	20.6	25.8	18.4	19.2	18.8	22.8	27.2	20.0
Net Freight Revenue	5.2	7.8	6.1	6.7	6.9	4.5	5.6	8.0	5.5
Tons Revenue Freight	22.44	20.54	23.64	20.17	20.35	22.8	20.2	24.2	20.0
Ratio of Empty to Total Freight Car Miles	35.00%	34.81%	34.34%	33.92%	34.15%	34.61%	33.79%	33.37%	33.11%
Miscellaneous Averages:									
Miles Hauled—Revenue Freight	224.9	155.5	95.6	247.3	207.8	224.9	151.6	91.2	244.7
Revenue Per Ton of Freight	$2.317	$2.147	$1.290	$3.081	$2.661	$2.301	$2.129	$1.327	$3.118
Revenue Per Ton Mile of Freight—Mills	10.30	13.80	13.48	12.44	12.81	10.23	14.04	14.56	12.74
Ratio of Each Class of Expenses to Operating Revenues:									
Maintenance of Way & Structure	13.82%	16.32%	19.54%	13.98%	14.76%	13.82%	16.96%	17.75%	13.37%
Maintenance of Equipment	21.35	18.67	19.15	21.60	20.76	22.77	21.50	19.93	23.74
Transportation	38.40	33.11	35.31	34.36	34.06	39.00	35.77	34.08	35.5
Other Expenses	4.82	5.07	7.70	4.93	5.01	4.42	5.07	7.70	4.93

	Year Ended December 31, 1924					Year Ended December 31, 1923					Year Ended December 31, 1923			
rn k	Texas lines	Louisiana lines	Other South-Western lines	All South-Western lines	Western trunk lines	Texas lines	Louisiana lines	Other South-Western lines	All South-Western lines	Western trunk lines	Texas lines	Louisiana lines	Other South-Western lines	All South-Western lines
7	$6.72	$7.97	$6.49	$6.59	$5.85	$6.26	$8.61	$6.20	$6.27	$5.97	$6.43	$8.80	$6.51	$6.54
4	4.87	6.43	4.77	4.84	4.72	5.03	6.66	4.86	4.95	4.82	5.29	7.12	4.98	5.11
3	1.85	1.54	1.72	1.75	1.13	1.23	1.95	1.34	1.32	1.15	1.14	1.68	1.53	1.43
0	487	591	522	514	572	446	591	486	479	565	438	569	475	468
3	23.71	25.00	25.87	25.28	25.09	22.07	24.46	24.35	23.79	24.69	21.42	23.73	24.10	23.41
1	12.66	13.07	13.28	13.11	13.28	11.26	12.25	12.05	11.86	12.06	10.83	11.13	10.95	10.92
4	36.37	38.07	39.15	38.39	38.37	33.33	36.71	36.40	35.65	36.75	32.25	34.86	35.05	34.33
68	1.028	1.016	1.063	1.053	1.066	1.024	1.019	1.061	1.051	1.067	1.025	1.025	1.055	1.047
6	28.4c	31.9c	25.1c	26.1c	23.3c	28.4c	35.2c	25.5c	26.4c	24.2c	30.0c	37.1c	27.0c	27.9c
	20.6	25.8	18.4	19.2	18.8	22.8	27.2	20.0	20.8	19.5	24.7	30.0	20.7	21.8
	7.8	6.1	6.7	6.9	4.5	5.6	8.0	5.5	5.6	4.7	5.3	7.1	6.3	6.1
	20.54	23.64	20.17	20.35	22.8	20.2	24.2	20.0	20.1	22.9	20.4	24.0	19.7	20.0
%	34.81%	34.34%	33.92%	34.15%	34.61%	33.79%	33.37%	33.11%	33.27%	32.81%	33.58%	31.93%	31.24%	31.81%
	155.5	95.6	247.3	207.8	224.9	151.6	91.2	244.7	205.7	235.3	156.3	91.4	249.9	209.9
7	$2.147	$1.290	$3.081	$2.661	$2.301	$2.129	$1.327	$3.118	$2.693	$2.487	$2.299	$1.413	$3.422	$2.936
	13.80	13.48	12.44	12.81	10.23	14.04	14.56	12.74	13.09	10.57	14.71	15.46	13.70	13.98
%	16.32%	19.54%	13.98%	14.76%	13.82%	16.96%	17.75%	13.37%	14.37%	13.18%	17.49%	17.74%	14.64%	15.43%
	18.67	19.15	21.60	20.76	22.77	21.50	19.93	23.74	23.08	21.98	20.59	20.49	20.96	20.86
	33.11	35.31	34.36	34.06	39.00	35.77	34.08	35.5	35.19	40.57	37.83	34.55	36.35	36.66
	5.67	7.70	4.66	5.01	4.48	5.66	7.12	4.33	4.75	4.64	6.08	7.38	4.45	4.94

Maintenance of Equipment	21.35	18.67	19.15	21.60	20.76	22.77	21.50	19.93	23.74	23
Transportation	38.40	33.11	35.31	34.36	34.06	39.00	35.77	34.08	35.5	35
Other Expenses	4.82	5.67	7.70	4.66	5.01	4.48	5.66	7.12	4.33	4
Total Operating Expenses	78.39	73.77	81.70	74.60	74.59	80.07	79.89	78.88	76.49	77
Railway Tax Accruals	6.09	3.94	7.09	6.05	5.53	5.28	3.62	7.61	6.20	5
Uncollectible Railway Revenue	.05	.06	.07	.04	.05	.02	.07	.05	.04	
Total	84.53	77.77	88.86	80.69	80.17	85.37	83.58	86.54	82.73	83
Ratio of Each Class of Expenses to Total Operating Expense:										
Maintenance of Way & Structure	17.63%	22.12%	23.92%	18.75%	19.79%	17.26%	21.22%	22.50%	17.48%	18
Maintenance of Equipment	27.24	25.30	23.44	28.95	27.83	28.43	26.91	25.26	31.04	29
Transportation	48.99	4.89	43.22	46.06	45.66	48.72	44.78	43.21	45.82	45
Other Expenses	6.14	7.69	9.42	6.24	6.72	5.59	7.09	9.03	5.66	
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100

1.35	18.67	19.15	21.60	20.76	22.77	21.50	19.93	23.74	23.08	21.98	20.59	20.49	20.96	20.86
8.40	33.11	35.31	34.36	34.06	39.00	35.77	34.08	35.5	35.19	40.57	37.83	34.55	36.35	36.66
4.82	5.67	7.70	4.66	5.01	4.48	5.66	7.12	4.33	4.75	4.64	6.08	7.38	4.45	4.94
8.39	73.77	81.70	74.60	74.59	80.07	79.89	78.88	76.49	77.39	80.37	81.99	80.16	76.40	77.89
6.09	3.94	7.09	6.05	5.53	5.28	3.62	7.61	6.20	5.62	6.08	3.71	6.77	6.23	5.63
.05	.06	.07	.04	.05	.02	.07	.05	.04	.04	.02	.05	.04	.04	.04
4.53	77.77	88.86	80.69	80.17	85.37	83.58	86.54	82.73	83.05	86.47	85.75	86.97	82.67	83.56
7.63%	22.12%	23.92%	18.75%	19.79%	17.26%	21.22%	22.50%	17.48%	18.57%	16.40%	21.33%	2.213%	19.16%	19.82%
7.24	25.30	23.44	28.95	27.83	28.43	26.91	25.26	31.04	29.83	27.35	25.12	25.57	27.44	26.78
8.99	4.89	43.22	46.06	45.66	48.72	44.78	43.21	45.82	45.48	50.48	46.14	43.10	47.58	47.06
6.14	7.69	9.42	6.24	6.72	5.59	7.09	9.03	5.66	6.12	5.77	7.41	9.20	5.82	6.34
0.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

[fol. 298]

I. C. C. Docket 15234

Location and Distribution by Territories of Mileage Operated by Railroads in Western Trunk Line and Southwestern Groups

Group	States in which located	1924 Average miles operated	1924 Percentage of total for group	1923 Average miles operated	1923 Percentage of total for group	1922 Average miles operated	1922 Pe...
Western Trunk Lines	Illinois, Iowa, Michigan, Minnesota, Missouri, Wisconsin	30 130.07	63.11%	30 128.45	63.12%	30 067.15	
	Other States (See Note 1)	17 608.45	36.89	17 601.08	36.88	17 544.78	
	Total	47 738.52	100.00	47 729.53	100.00	47 611.93	
Texas Lines	Texas	13 318.39	93.07%	13 381.30	93.00%	13 463.42	
	Arkansas, Louisiana, Oklahoma	992.10	6.93	1 007.84	7.00	992.60	
	Total	14 310.49	100.00	14 389.14	100.00	14 456.02	
Louisiana Lines	Louisiana	1 367.46	100.00%	1 368.25	100.00%	1 355.48	
Other Southwestern Lines	Arkansas, Louisiana, Missouri, Oklahoma	15 848.29	48.12%	15 780.74	48.25%	15 937.01	
	Illinois, Iowa, Minnesota	3 610.32	10.96	3 609.62	11.04	3 629.49	
	Other States	13 476.52	40.92	13 312.29	40.71	12 961.80	
	Total	32 935.13	100.00	32 702.65	100.00	32 528.30	
All Southwestern Lines	Arkansas, Louisiana, Missouri, Oklahoma, Texas	31 526.24	64.85%	31 538.13	65.08%	31 748.51	
	Other States (See Note 2)	17 086.84	35.15	16 921.91	34.92	16 591.29	
	Total	48 613.08	100.00	48 460.04	100.00	48 339.80	

NOTE 1. Mileage of 17 608.45 operated by Western Trunk Lines in "Other States" in 1924 distributed as follows:

East of Indiana-Illinois State Line	1 516.23 Miles
South of Ohio River	1 793.28 "
Kansas	284.53 "
Nebraska	4 298.94 "
South Dakota	3 779.82 "
North Dakota	1 706.08 "
Colorado	430.56 "
Wyoming	1 002.45 "
Montana	1 472.27 "
Idaho	233.54 "
Washington	1 090.75 "

NOTE 2. Mileage of 17 086.84 operated by Southwestern Lines ... States" in 1924 distributed as follows:

Illinois	1 02...
Iowa	2 30...
Minnesota	28...
Kansas	7 61...
Nebraska	70...
South Dakota	8...
Colorado	91...
New Mexico	1 57...
Arizona	86...
California	1 51...
Mississippi Valley	2...

Location and Distribution by Territories of Mileage Operated by Railroads in Western Trunk Line and Southwestern Groups

Group	States in which located	1924 Average miles operated	1924 Percentage of total for group	1923 Average miles operated	1923 Percentage of total for group	1922 Average miles operated	1922 Percentage of total for group
Trunk Lines	Illinois, Iowa, Michigan, Minnesota, Missouri, Wisconsin	30 130.07	63.11%	30 128.45	63.12%	30 067.15	63.15%
	Other States (See Note 1)	17 608.45	36.89	17 601.08	36.88	17 544.78	36.85
	Total	47 738.52	100.00	47 729.53	100.00	47 611.93	100.00
nes	Texas	13 318.39	93.07%	13 381.30	93.00%	13 463.42	93.13%
	Arkansas, Louisiana, Oklahoma	992.10	6.93	1 007.84	7.00	992.60	6.87
	Total	14 310.49	100.00	14 389.14	100.00	14 456.02	100.00
Lines	Louisiana	1 367.46	100.00%	1 368.25	100.00%	1 355.48	100.00%
thwestern Lines	Arkansas, Louisiana, Missouri, Oklahoma	15 848.29	48.12%	15 780.74	48.25%	15 937.01	48.99%
	Illinois, Iowa, Minnesota	3 610.32	10.96	3 609.62	11.04	3 629.49	11.16
	Other States	13 476.52	40.92	13 312.29	40.71	12 961.80	39.85
	Total	32 935.13	100.00	32 702.65	100.00	32 528.30	100.00
western Lines	Arkansas, Louisiana, Missouri, Oklahoma, Texas	31 526.24	64.85%	31 538.13	65.08%	31 748.51	65.68%
	Other States (See Note 2)	17 086.84	35.15	16 921.91	34.92	16 591.29	34.32
	Total	48 613.08	100.00	48 460.04	100.00	48 339.80	100.00

Mileage of 17 608.45 operated by Western Trunk Lines in "Other s" in 1924 distributed as follows:

diana-Illinois State Line	1 516.23	Miles
Ohio River	1 793.28	"
	284.53	"
	4 298.94	"
kota	3 779.82	"
kota	1 706.08	"
	430.56	"
	1 002.45	"
	1 472.27	"
	233.54	"
n	1 090.75	"

NOTE 2. Mileage of 17 086.84 operated by Southwestern Lines in "Other States" in 1924 distributed as follows:

Illinois	1 025.52	Miles
Iowa	2 304.41	"
Minnesota	280.39	"
Kansas	7 613.70	"
Nebraska	708.04	"
South Dakota	83.14	"
Colorado	916.68	"
New Mexico	1 571.14	"
Arizona	868.52	"
California	1 517.64	"
Mississippi Valley	297.66	"

	Other States (See Note 1)	17 608.45	36.89	17 601.08	36.88
	Total	47 738.52	100.00	47 729.53	100.00
Texas Lines	Texas	13 318.39	93.07%	13 381.30	93.00%
	Arkansas, Louisiana, Oklahoma	992.10	6.93	1 007.84	7.00
	Total	14 310.49	100.00	14 389.14	100.00
Louisiana Lines	Louisiana	1 367.46	100.00%	1 368.25	100.00%
Other Southwestern Lines	Arkansas, Louisiana, Missouri, Oklahoma	15 848.29	48.12%	15 780.74	48.25%
	Illinois, Iowa, Minnesota	3 610.32	10.96	3 609.62	11.04
	Other States	13 476.52	40.92	13 312.29	40.71
	Total	32 935.13	100.00	32 702.65	100.00
All Southwestern Lines	Arkansas, Louisiana, Missouri, Oklahoma, Texas	31 526.24	64.85%	31 538.13	65.08%
	Other States (See Note 2)	17 086.84	35.15	16 921.91	34.92
	Total	48 613.08	100.00	48 460.04	100.00

NOTE 1. Mileage of 17 608.45 operated by Western Trunk Lines in "Other States" in 1924 distributed as follows:

East of Indiana-Illinois State Line	1 516.23	Miles
South of Ohio River	1 793.28	"
Kansas	284.53	"
Nebraska	4 298.94	"
South Dakota	3 779.82	"
North Dakota	1 706.08	"
Colorado	430.56	"
Wyoming	1 002.45	"
Montana	1 472.27	"
Idaho	233.54	"
Washington	1 090.75	"
Total	17 608.45	"

NOTE 2. Mileage of 17 086.84 operated by So States" in 1924 distributed as follows:

Illinois	
Iowa	
Minnesota	
Kansas	
Nebraska	
South Dakota	
Colorado	
New Mexico	
Arizona	
California	
Mississippi Valley	
Total	

Grouping of Railroads Used in This Exhibit

Western Trunk Lines			Texas Lines				Southwestern Lines Louisiana Lines
C.&A.	C.M.&St.P.	Q.O.&K.C.	B.S.L.&W.	H.&T.C.	L.R.&N. of T.	St.L.S.W. of T.	H.&S.
C.&E.I.	C.St.P.M.&O.	Wabash	C.R.I.&G.	H.E.&.W.T.	M.K.T. of T.	S.A.&A.P.	L.R.&N. Co.
C.&N.W.	I.C.		Ft.W.&D.C.	I-G.N.	P.&S.F.	T.&Ft.S.	La. Western
C.B.&Q.	M.&St.L.		G.H.&S.A.	K.C.M.&O. of T.	St.L.B.&M.	T.&N.O.	M.L.&T.
C.G.W.	N.St.P.&S.S.M.		G.C.&S.F.	K.O.&G. of T.	St.L.S.F. & T.	T.&P.	N.O.T.M.
							V.S.&P.

ther States (See Note 1)	17 608.45	36.89	17 001.08	36.83	17 611.93	36.80
Total	47 738.52	100.00	47 729.53	100.00	47 611.93	100.00
exas	13 318.39	93.07%	13 381.30	93.00%	13 463.42	93.13%
rkansas, Louisiana, Oklahoma	992.10	6.93	1 007.84	7.00	992.60	6.87
Total	14 310.49	100.00	14 389.14	100.00	14 456.02	100.00
ouisiana	1 367.46	100.00%	1 368.25	100.00%	1 355.48	100.00%
rkansas, Louisiana, Missouri, Oklahoma	15 848.29	48.12%	15 780.74	48.25%	15 937.01	48.99%
linois, Iowa, Minnesota	3 610.32	10.96	3 609.62	11.04	3 629.49	11.16
ther States	13 476.52	40.92	13 312.29	40.71	12 961.80	39.85
Total	32 935.13	100.00	32 702.65	100.00	32 528.30	100.00
rkansas, Louisiana, Missouri, Oklahoma, Texas	31 526.24	64.85%	31 538.13	65.08%	31 748.51	65.68%
ther States (See Note 2):	17 086.84	35.15	16 921.91	34.92	16 591.29	34.32
Total	48 613.08	100.00	48 460.04	100.00	48 339.80	100.00

8.45 operated by Western Trunk Lines in "Other ated as follows:

e Line	1 516.23 Miles
	1 793.28 "
	284.53 "
	4 298.94 "
	3 779.82 "
	1 706.08 "
	430.56 "
	1 002.45 "
	1 472.27 "
	233.54 "
	1 090.75 "
	17 608.45 "

NOTE 2. Mileage of 17 086.84 operated by Southwestern Lines in "Other States" in 1924 distributed as follows:

Illinois	1 025.52 Miles
Iowa	2 304.41 "
Minnesota	280.39 "
Kansas	7 613.70 "
Nebraska	708.04 "
South Dakota	83.14 "
Colorado	916.68 "
New Mexico	1 571.14 "
Arizona	868.52 "
California	1 517.64 "
Mississippi Valley	297.66 "
Total	17 086.84 "

Grouping of Railroads Used in This Exhibit

es	Texas Lines				Southwestern Lines Louisiana Lines	Other Southwestern Lines	
Q.O.&K.C.	B.S.L.&W.	H.&T.C.	L.R.&N. of T.	St.L.S.W. of T.	H.&S.	A.T.&S.F.	M.K.T.
Wabash	C.R.I.&G.	H.E.&W.T.	M.K.T. of T.	S.A.&A.P.	L.R.&N. Co.	C.R.I.&P.	M.P.
	Ft.W.&D.C.	I-G.N.	P.&S.F.	T.&Ft.S.	La. Western	K.C.M.&O.	St.L.-S.F.
	G.H.&S.A.	K.C.M.&O. of T.	St.L.B.&M.	T.&N.O.	M.L.&T.	K.C.S.	St.L.S.W.
	G.C.&S.F.	K.O.&G. of T.	St.L.S.F. & T.	T.&P.	N.O.T.M.	K.O.&G.	
					V.S.&P.		

[fol. 299] On page 5 of the exhibit there will be found at the bottom of the page a list of those roads designated Western Trunk Lines, and of the three groups of Southwestern lines; the three together comprising what I have termed in the exhibit all Southwestern lines.

First I would like to refer briefly to the location of the lines of these several groups of railroads, as shown by page 5.

Taking the year 1924, the Western Trunk Lines operated a total mileage of 47,738.52, and of that mileage 30,130.07 miles, or 83.11 per cent, is located in the States of Iowa, Illinois, Michigan, the Upper Peninsula, Minnesota, Missouri and Wisconsin, and 17,608.45 miles, or 36.89 per cent, in other states.

By note 1 in the center of the page I have shown, as between the several states, where this 17,000 odd miles of railroad is distributed (Tr. 4371).

The Texas lines, twenty in number, are those having all, or substantially all, of their mileage in the State of Texas, excepting in the case of the Texas & Pacific Railway, which also has a considerable mileage in Louisiana and a few miles in Arkansas, but 93.07 per cent of the mileage of the roads grouped as Texas lines is in the State of Texas (Tr. 4371-4372).

The Louisiana lines include only six roads, all of whose mileage is in the State of Louisiana. Then for other south-
[fol. 300] western lines I have grouped those larger systems whose lines extend through several states. There are nine of those roads named in the lower right-hand corner of the page. Their total mileage is 32,935.13 and 15,848.29 miles of this, or 48.12 per cent, is in the States of Arkansas, Louisiana, Missouri and Oklahoma; 3,610.32 miles, or 10.96 per cent, is in the States of Illinois, Iowa and Minnesota, and 13,476.52 miles or 40.92 per cent is in other states.

Taking all of the southwestern roads as a single group, 31,526.24 or 64.85 per cent of the operated mileage is in the States of Arkansas, Louisiana, Missouri, Oklahoma and Texas, and 17,086.84 miles or 35.15 per cent in other states.

Note 2 on the same page shows the distribution of states of this 17,000 odd miles of railroad. The figures I have just cited are for 1924. They differ but slightly from 1923

and 1922, as will be seen by a comparison of the figures on page 5 (Tr. 4372).

Returning now to page 2, I have shown there for the three years the average miles of road operated, the railway operating revenues and expenses, the net railway operating revenue, the railway tax accruals, uncollectable revenue, and the remaining railway operating income, the operating ratio, which is the ratio of operating expenses to revenue, and total expense, which is the ratio of operating expenses, taxes and uncollectable revenues to railway operating revenue (Tr. 4372-4373).

[fol. 301] Citing a few figures from the year 1924 it will be seen that the Western Trunk Lines operated 47,739 miles of railroad and the southwestern lines 48,613.

The railway operating revenues of the Western Trunk Lines were in excess of $861,000,000, and of the Southwestern lines in excess of $850,000,000.

The operating expenses for the Western Trunk Lines were a little over $675,000,000, and for the Southwestern lines over $834,000,000; the net railway operating revenues of the Western Trunk Lines were about $186,000,000, and for the Southwestern line $216,000,000.

The taxes on the Western Trunk Lines were a little more than $52,000,000, and on the Southwestern lines a little more than $47,000,000.

The railway operating income of the Western Trunk Lines about $133,000,000, and for the Southwestern lines $168,000,000, with operating ratios of 78.39 per cent on the Western Trunk Lines and 74.59 per cent on the Southwestern lines; the total expense ratio of the Western Trunk Lines was 84.53 per cent, and on the Southwestern lines 80.17 per cent (Tr. 4373).

Following the figures I have just referred to are shown the freight service revenues and expenses. The total freight service revenue is shown only for 1924, but the freight revenue account 101 is shown for each of the three years.

The operating ratio freight for 1924 is the ratio of freight operating expenses to total freight service revenue, while for the years 1923 and 1922 the freight operating ratio is the ratio of freight operating expenses to freight revenue, account 101 (Tr. 4373-4374).

[fol. 302] To complete the comparison the ratio in 1924 of operating expenses assigned to freight service, to freight service, to freight revenue, was 77.63 per cent on the Western Trunk Lines, 72.49 per cent on the Texas lines, 80.75 per cent on the Louisiana lines, and 73.48 per cent on the other Southwestern lines, and 73.44 per cent on all Southwestern lines.

The remaining figures on page 2 show the tons of revenue freight carried, ton miles, car miles, freight train miles, and locomotive miles. These are merely a consolidation of figures from the preceding exhibits according to the roads as I have grouped them, and explained on page 5 of the exhibit (Tr. 4374).

The Santa Fe and Rock Island although serving both groups are used solely in the Southwestern group. The average miles of road operated referred to means the average miles operated during the year as distinguished from the miles operated as of the 31st of December. When I refer to the miles operated by the Western Trunk Lines, 47,739 miles, I mean the average mileage operated by all Western Trunk lines during that year wherever they operated, that is the total mileage operated by the twelve roads shown on page 5 wherever situated. I have shown on page 5 that of 47,738 miles operated, 30,120 miles was located in the six Western Trunk Line states (Tr. 4374-4375).

[fol. 303] On page 2 the separation of the Southwestern Lines is in three sub-groups, the first the Texas lines, those having all or substantially all of their mileage in Texas, the next the Louisiana lines, having all of their mileage in Louisiana, and the third, the remaining Southwestern Lines. Then the total of the three groups is shown. I did not make a separation of the twelve Western Trunk Lines, because I found no natural separation in which they could be subdivided. All of the detailed figures are in the three preceding exhibits, and it is possible to make up figures for any group that may be desired (Tr. 4375-4376).

The railway operating expenses, freight, shown in the center of page 2, are the expenses assigned for freight service. At the top of the page the railway operating expenses are the total railway operating expenses assignable to all

service. I did not distribute taxes between freight and passenger. They are not distributed in the reports to the Commission (Tr. 4376). On page 3, on the upper half of the page, I have shown the average per mile of road which are obtained by dividing the figures shown on page 2 by the average miles of road operated. Thus, in 1924 the railway operating revenues per mile of road of the Western Trunk Lines were $18,049, and of the Southwestern lines, $17,505.

The operating expenses for the Western Trunk Lines, $14,149, and for the Southwestern lines, $13,088, leaving a net railway operating revenue of $3,900 for the Western Trunk Lines and $4,447 for the Southwestern lines.

After deducting taxes and uncollectable railway revenues the remaining railway operating income was $2,792 per mile of road for the Western Trunk Lines, and $3,471 for the Southwestern lines.

The next set of figures are similar averages of freight revenue, freight expenses and net freight revenue; then are shown the ton miles of revenue freight.

[fol. 304] In 1924 on the Western Trunk Lines the average density was 1,302,926 ton miles per mile of road, and on the Southwestern roads 1,013,012.

Next we have the averages per million revenue net ton miles and those averages are obtained by dividing the freight revenues, expense, car miles, train miles, locomotive miles, by ton miles of revenue freight reduced to millions.

On the Western Trunk Lines the freight revenue, account 101, in 1924 amounted to $10,300 per million revenue ton miles, and on the Southwestern roads $12,808.

The expenses of the Western Trunk Lines were $7,998 per million ton miles, and of the Southwestern lines, $9,405, leaving a net freight revenue for the Western Trunk Lines of $2,304, and for the Southwestern lines of $3,403 (Tr. 4376-4377-4378).

The Southwestern lines, as I have shown here, have a lesser traffic density than the Western Trunk Lines and they have a higher return per ton mile; they have a higher operating expense per ton mile, but the difference between their operating expenses and their earnings as compared with Western Trunk Lines leave them a substantially greater net.

Exam. Disque: Now, suppose you add to their expense per million revenue net ton miles the amount necessary to yield six per cent return on the value of the properties; to what extent would that change these figures?

The Witness: I think you have the answer to that more readily under the averages per mile of road, because the return on investment necessarily must be related to the property and not to the volume of traffic moving over the railroad. You will see there that the railway operating revenues in the Southwest, taking all of the Southwestern lines as one group, amounted to $17,505, and their operating expenses were $13,058, and their taxes $968, and their uncollected revenue $8. Deducting all of that from the railway operating revenues there remained a railway operat-[fol. 305] ing income of $3,471 per mile of road. That is the amount remaining to pay, hire of requipment, joint facility rents, interest, fixed charges and other corporate expenses (Tr. 4378-4379).

I have not shown the net railway operating income in any of these exhibits. That was done in Mr. Balch's exhibit A50. That is used to determine the rate of return under the law. These exhibits merely carry the figures down to the result of the operation of the railroad after the payment of taxes (Tr. 4379).

The Western Trunk Lines, while having a greater amount of traffic as reflected by the ton miles per mile of road, the railway operating revenue was $18,049, expenses $14,149, taxes of $1,100, and uncollectible revenue of $8. That left a railway operating net income of $2,792 per mile of road from which to pay their joint facility rents, hire of equipment, interest and other fixed charges.

The amount of service required to transport one million tons of freight one mile is shown on page 3 of the exhibit by the car miles, train miles and locomotive miles.

As will be seen on page 4, the average train load, or rather, the average tons of revenue freight per train mile on the Southwestern lines was 514, and on the Western Trunk Lines, 580, consequently there is a larger number of train miles in the Southwest per million revenue ton miles than on the Western Trunk Lines, the Southwestern roads operating 9,144 per million ton miles and the Western

Trunk Lines 1,725; similarly, the average carloading in the Southwest is a little below the Western Trunk Lines, in 1924 being 20.35 per car mile on the Southwestern lines and 22.44 on the Western Trunk Lines.

Therefore, you find that the Southwestern lines accrued 49,141 loaded car miles to transport a million tons one mile and the Western Trunk Lines 44,556.

The empty car miles are about in proportion, although a little greater on the Western Trunk Lines than on the Southwestern lines, as will be seen on page 4; the ratio of [fol. 306] empty to total freight car miles in the Southwest being 34.15 per cent, and in Western Trunk Line territory, 35 per cent.

With a larger number of train miles per traffic unit there is a correspondingly greater train locomotive mileage. The miles of train locomotives per million ton miles in the Southwest being 2,046 as against 1,841 in Western Trunk Line territory. The Southwestern lines also had a little higher ratio of train switching, but a lower ratio of yard switching, and the total locomotive miles per traffic unit in the Southwest were 2,919 compated with 2,775 on the Western Trunk Lines.

The ratio of the switching service,—that is, train and yard switching, locomotive miles to total locomotive miles in the Southwest, was 29.91 per cent, and in the Western Trunk Line territory 33.68 per cent. That is, of the total locomotive mileage operating during the year, the Southwestern lines employed about 30 per cent in switching service and Western Trunk Lines 33⅓ per cent (Tr. 4379-4380-4381).

I have not enumerated hire of equipment, joint facility rent or net railway operating income in the Southwest versus Western Trunk Line. I have merely carried these exhibits down to the railway operating income, hire of equipment and joint facility rents, which are in lieu of the ownership of the facilities and property with which to do business. Mr. Balch has introduced an exhibit showing the net income, property investment and rate of return, and inasmuch as he has given that information I have not duplicated it (Tr. 4381-4382).

Page 4 of exhibit 54 carries on the comparisons showing the average per freight train mile, the average per loaded

freight car mile, and miscellaneous averages, average distance hauled, the revenue per ton mile and ratio of expense to revenue and ratio of each class of expense to total operating expense (Tr. 4382).

[fols. 307] Exhibit A-55 is for the period of eight months ended August 31, 1925, and shows average miles operated, railway operating revenues and expenses, net revenue and operating ratios for the carriers listed on the left-hand margin, excepting the Houston & Shreveport and K. O. & G. Railroad of Texas. Those are class 2 carriers and I was unable to obtain that data for those two roads (Tr. 4383-4384).

Exhibit A-55 was received in evidence, which said exhibit, omitting title page, is in words and figures as follows:

(Here follows Exhibit No. A-55, side folios 308 and 309)

[fol. 308]

EXHIBIT No. "A-55"

Parsons

Page 1

1925

I. C. C. Docket 15234

Revenue and Traffic Statistics of Respondent Carriers
In Western Trunk Line Territory and Southwestern Territory for Eight Months Ended August 31, 1925

Railroad	Average miles of road operated	Railway operating revenue	Railway operating expenses	Net operating revenue	Operating ratio	Freight revenue	Ton miles revenue freight	Revenue per ton mile mills
Chicago & Alton	1 055.92	$19 868 462	$15 221 844	$4 646 618	76.6%	$13 886 602	1 357 742 000	10.23
C. & E. I.	945.13	16 796 464	14 395 315	2 401 149	85.7	12 485 807	1 447 644 000	8.62
C. & N. W.	8 462.83	94 851 078	74 859 669	19 991 409	78.9	66 203 655	5 138 976 000	12.88
C. B. & Q.	9 397.55	100 954 369	76 235 816	24 718 553	75.5	74 275 070	7 613 171 000	9.76
C. G. W.	1 496.06	15 476 024	13 084 792	2 391 232	84.5	11 822 193	1 224 860 000	9.65
C. M. & St. P.	11 204.98	102 268 013	86 461 644	15 806 369	84.5	78 457 592	7 512 680 000	10.44
C. St. P. M. & O.	1 749.19	17 278 468	14 056 039	3 222 429	81.4	12 361 728	1 000 397 000	12.36
Illinois Central	4 875.05	98 282 605	76 136 964	22 145 641	77.5	74 283 367	8 364 075 000	8.88
M. & St. L.	1 638.26	9 494 471	8 987 651	506 820	94.7	8 139 848	775 709 000	10.49
M. St. P. & S. S. M.	4 402.08	30 138 227	23 521 726	6 616 501	78.0	23 343 579	2 045 964 000	11.41
Q. O. & K. C.	250.84	644 980	705 741	Def 60 761	109.4	457 543	30 415 000	15.04
Wabash	2 524.20	44 906 913	34 224 186	10 682 727	76.2	35 572 618	3 358 611 000	10.59
A. T. & S. F.	9 185.17	122 202 783	90 307 721	31 895 062	73.9	b 90 343 273	b 6 869 878 000	b 13.15
B. S. L. & W.	118.75	1 869 040	1 238 614	630 426	66.3	c	c	c
C. R. I. & G.	461.23	4 043 280	3 021 270	1 022 010	74.7	d	d	d
C. R. I. & P.	7 578.39	80 277 257	64 204 414	16 072 843	80.0	d 61 844 501	d 5 155 724 000	d 12.00
Ft. W. & D. C.	468.71	6 887 906	4 707 877	2 180 029	68.3	5 062 742	335 234 000	15.10
G. H. & S. A.	2 103.23	18 987 093	16 130 141	2 856 952	85.0	e	e	e
Gulf Coast Lines	c 921.74	.....	.....	.....	....	c 8 120 616	c 618 482 000	13.13
G. C. & S. F.	1 908.84	18 350 069	14 782 953	3 567 116	80.6	15 186 016	1 579 449 000	9.61
H. & S.	a	.....	.....	.....	....	.....	.....	.....
H. & T. C.	929.14	9 454 858	7 655 151	1 799 707	81.0	e	e	e
H. E. & W. T.	191.60	2 125 881	1 667 146	458 735	78.4	e	e	e
I. G. N.	1 159.50	10 791 365	8 889 723	1 901 642	82.4	8 316 003	497 932 000	16.70
K. C. M. & O.	272.20	1 759 138	1 556 129	203 009	88.5	1 636 529	132 822 000	12.32
K. C. M. & O. of Tex.	465.75	2 184 294	1 707 241	477 053	78.2	2 004 770	146 278 000	13.71
K. C. S.	784.09	11 807 000	8 538 014	3 268 086	72.3	f 11 259 812	f 1 [illegible] 000	f 11.03

K. C. M. & O. of Tex.	465.75	2 184 294	1 707 241	477 053	78.2	2 004 770	146 278 000	13.71
K. C. S.	784.09	11 807 000	8 538 014	3 268 986	72.3	f 11 352 613	f 1 029 289 000	f 11.03
K. O. & G.	314.42	1 457 347	1 428 319	29 028	98.0	1 355 272	117 492 000	11.54
K. O. & G. of Tex.	a	.....	.....	.....	....	.....	.....	.....
L. R. & N. Co.	337.63	2 437 514	2 060 402	377 112	84.5	2 144 124	144 872 000	14.80
L. R. & N. Co. of Tex.	206.08	813 487	744 468	69 019	91.5	698 901	53 332 000	13.10
La. Western	207.74	2 692 312	2 139 052	553 260	79.4	e	e	e
M. K. T.	1 799.31	22 722 724	14 291 118	8 431 606	62.9	17 869 027	1 375 451 000	12.99
M. K. T. of Tex.	1 389.23	13 881 810	11 234 222	2 647 588	80.9	9 871 945	830 473 000	11.89
Mo. Pac.	7 337.57	84 546 073	67 247 834	17 298 239	79.5	67 134 503	6 197 647 000	10.83
M. L. & T.	400.67	5 312 845	5 046 621	266 224	95.0	e	e	e
N. O. T. & M.	191.22	2 277 295	1 579 313	697 982	69.4	c	c	c
P. H. & S. F.	858.49	6 500 316	4 725 952	1 774 364	72.7	b	b	b
St. L. B. & M.	550.22	5 709 859	3 397 947	2 311 912	59.5	c	c	c
St. L. S. F.	4 902.12	57 432 102	40 302 483	17 129 619	70.2	42 594 682	3 220 573 000	13.23
St. L. S. F. & Tex.	137.95	1 382 729	1 038 501	344 228	75.1	1 235 286	58 324 000	21.18
St. L. S. W.	944.23	11 534 456	8 079 678	3 454 778	70.0	9 901 559	737 848 000	13.38
St. L. S. W. of Tex.	807.20	4 836 825	5 015 304	Def 178 479	103.7	3 907 170	223 482 000	17.48
S. A. & A. P.	g 739.36	2 027 200	2 152 251	Def 125 051	106.2	1 705 803	84 732 000	20.13
Sou. Pac. Lines	e 4 562.48	.....	.....	.....	....	e 35 028 091	e 2 679 548 000	e 13.07
T. & Ft. S.	81.08	1 981 461	1 138 755	842 706	57.5	f	f	f
Texas & N. O.	539.92	7 235 085	5 756 768	1 478 317	79.6	e	e	e
Texas & Pacific	1 952.78	21 546 085	17 015 503	4 530 582	79.0	15 702 485	1 104 229 000	14.22
V. S. & P.	188.46	2 810 653	2 203 779	606 874	78.4	2 126 226	152 658 000	13.93

a–Data not available.
b–Data shown for A. T. & S. F. includes Panhandle and Santa Fe.
c–Data shown for Gulf Coast Lines includes B. S. L. & W.—N. O. T. & M.—O. & N. W.—St. L. B. & M.
d–Data shown for G. R. I. & P. includes C. R. I. & G.
e–Data shown for Southern Pacific Lines in Texas and Louisiana includes F. & A.—G. H. & S. A.—H. & S.—H. & T. C.—H. E. & W. T.—I. & V.—L. C. & N.—La. Western—M. L. & T.—T. & N. O.—and S. A. & A. P. from May 1, 1925.
f–Data shown for K. C. S. includes Texarkana & Fort Smith.
g–Data shown for S. A. & A. P. for four months ended April 30, 1925. Subsequent to that date included in G. H. & S. A.

[fol. 309]

1925

I. C. C. 15234

Eight Months Ended August 31, 1925

	Western trunk lines	Texas lines	Louisiana lines	Other Southwestern lines	All Southwestern lines
Average Miles of Road Operated	48 002	14 330	1 326	33 117	48 773
Railway Operating Revenues	$550 960 074	$140 608 643	$15 530 619	$393 738 880	$549 878 142
Railway Operating Expenses	437 891 387	112 019 787	13 209 167	295 955 710	421 004 664
Net Railway Operating Revenue	113 068 687	28 588 856	2 501 452	97 783 170	128 873 478
Operating Ratio	79.48%	79.67%	83.89%	75.16%	76.56%
Freight Revenue	$411 289 602	x$111 110 178	.....	xx$304 031 959	z$415 142 137
Ton Miles Revenue Freight	39 870 244 000	x8 509 025 000	.....	xx24 838 724 000	z33 347 749 000
Revenue Per Ton Mile—Mills	10.32	x13.06	.....	xx12.24	z12.45
Averages Per Mile of Road:					
Railway Operating Revenues	$11 478	$9 812	$11 712	$11 889	$11 274
Railway Operating Expenses	9 122	7 817	9 826	8 936	8 632
Net Railway Operating Revenues	2 356	1 995	1 886	2 953	2 642
Freight Revenue	$8 568	x$7 660	.....	xx$8 808	z$8 468
Ton Miles Revenue Freight	830 595	x586 587	.....	xx719 588	z680 233

x—Freight revenue and tonnage for Texas and Louisiana Lines combined and include F. & A.—I. & V.—L. C. & N.—O. & N. W.—total mileage operated, 14506.

xx—Freight revenue and tonnage for "Other Southwestern Lines" include C. R. I. & G., Panhandle and Santa Fe and Texarkana & Fort Smith—total mileage operated, 34518.

z—Freight revenue and tonnage for "All Southwestern Lines" include F. & A.—I. & V.—L. C. & N.—O. & N. W.—total mileage operated, 49024.

[fol. 310] The exhibit also shows the freight revenue, ton mile revenue freight, and revenue per ton mile. The freight revenue and ton mileage is shown by systems of railroads; that is, the figures shown for the Atchison, Topeka & Santa Fe and the Gulf Coast Lines are shown as one system, and others as explained by the footnote at the bottom of the page.

On the second page I have shown these figures by the same groups of roads that were used in exhibit A-54, except that the freight revenue and freight tonnage are shown for the Texas and Louisiana lines combined. The figures for these lines also include some shorter lines of the Southern Pacific that are not included in the previous exhibits, but during the course of the year the ton miles and similar freight statistics are reported on O. and S. forms by systems of railroads and not in the same detail by individual roads that they are available after the close of the year.

The figures are all taken from reports of the carriers on file with the Interstate Commerce Commission and cover as many months in 1925 as I have been able to get. The revenues and expenses, of course, on file with the Commission earlier than the data as to ton miles and other traffic statistics, and I have covered the period for which all of the data shown in the exhibit was available (Tr. 4384-4385).

Note X at the bottom of the page refers to four short lines comprised in the Southern Pacific, Texas and Louisiana Lines (Tr. 4385).

The O. & N. W. is part of the Gulf Coast Lines. The Franklin & Abbeyville and the Iberia & Vermillion and Lake Charles & Northern are Southern Pacific Lines (Tr. 4385).

Exhibit A-56 is a collection of ten maps showing the lines of the twelve Western Trunk Lines as listed in my Exhibit A-54. The map of the Chicago & North Western Railway also shows the lines of the Chicago, St. Paul, Minneapolis & Omaha Railway, and the map of the Chicago, Burlington & Quincy includes the lines of the Q. O. & K. C. Railroad [fol. 311] (Tr. 4385-4386).

(Exhibit A-56 was received in evidence.)

[fol. 312] Mr. Roberts: Would you mind extending that Chicago & Eastern Illinois track down across the Missis-

sippi River to Chaffee. That might come into this case (Tr. 4386).

(No reply was made to this statement by either witness or counsel.)

Cross-examination:

The following is quoted verbatim from the transcript:

By Mr. Outlaw:

Q. Mr. Parsons, in connection with your testimony relating to exhibit I believe A-39, introduced at the former hearing, and with particular reference to the allocation by the railroads of revenue to states, I believe it was pointed out and you concurred in the fact, that that exhibit and the statements thereon were defective to the extent that the revenue apportioned to the states was apportiond by the railways roughly on a mileage prorate, whereas the revenue is actually divided on the basis of division percentages. Now, in your testimony this is important.

Mr. Towner: Just a minute, Mr. Outlaw. I don't think Mr. Parsons agreed to that at all. I think that was your conclusion.

By Mr. Outlaw:

Q. Well, I think Mr. Parsons did agree to it, and I will ask him now if he did not at that time concur to the extent that that condition was present, that there was an imperfection in the statement.

A. The discussion we had, as I remember it, relates to the apportionment by the individual railroads or systems of the revenues as between the different states through which the shipment might be hauled, and I think that we agreed at the time, for instance, that a shipment from Chicago, or the Missouri River to the Pacific Coast on the Santa Fe was divided up mile for mile as the shipment moved. I thing that is wrong, because I know our auditor in rendering settlement on freight interchange with the Santa Fe at Kansas City or St. Joseph divides the Santa Fe revenue on Albuquerque or Berlin. Whether that is a [fol. 313] mileage division or not, I do not know, but it

seems to be a very considerable group on the Pacific Coast, so that it is not a mileage as to each individual shipment.

Q. Well, that would be a division, I believe, between what might be termed the Santa Fe proper and the Santa Fe Coast lines?

A. Exactly.

Q. But that division itself is made on a mileage basis, is it not, Mr. Parsons?

A. I do not know.

Q. At the time you agreed that it was your understanding that it was so made by all of the systems?

A. In general I think that is true. I know we did do ours as between traffic in Illinois, Iowa, Minnesota and Missouri.

Q. Now, I believe this morning you made the further statement that you had checked the results in your exhibit with certain data prepared by Mr. Wettling and submitted in Ex Parte 87 proceedings.

A. Yes, sir.

Q. Well, it would be a fact, would it not, to the extent that there were imperfections in the figures which you used, the same imperfections would be present in the figures used by Mr. Wettling, as he used the same method?

A. They were the same figures (Tr. 4386-4387-4388).

The roads sent the figures to Mr. Wettling and he produced them individually, each statement as the railroad sent them, and filed them all in one book of some two hundred pages. This was done upon the Commission's request. Mr. Wettling's figures and my figures were assembled and computed in exactly the same manner—from the same figures. If there are any imperfections in his set of figures, they would also be present in mine, and if the one is perfect the other is perfect (Tr. 4388-4389).

The railroads which I have used in Exhibits A-51, A-52, A-53 and A-54 are not all of the Class 1 roads in the par-
[fol. 314] ticular territory. For example, the railroads shown as Western Trunk Lines at the left-hand bottom of page 5 of exhibit A-54 does not include all of the class 1 railroads in Western Trunk Line territory. At the moment I don't think of any other class 1 Southwestern carriers not included, but the list is drawn from the list of respondent carriers. The roads shown are all respondents, whether

class 1 carriers or not. I think, for example, that the Houston and Shreveport is a class 2 road (Tr. 4389-4390).

In the group entitled "Other southwestern lines," I have used in my computations the figures for the entire Atchison, Topeka & Santa Fe Railroad. The only part of that railroad in southwestern territory involved in these proceedings would be that part in the State of Oklahoma, approximately 1,200 miles of the entire mileage shown on the exhibit of 9,069.21 miles. The other approximately 8,000 miles are in territories other than southwestern territory. Of course, the Santa Fe has its lines leading from the Missouri River to the Oklahoma border, which would form a part of the route over which the southwestern traffic moves. That route would be through Iowa, Illinois, Kansas and Missouri. Directly the southwestern territory would be only that part of the mileage in the State of Oklahoma. The exhibit includes the operating results of the Atchison, Topeka & Santa Fe in California, Arizona, New Mexico and Colorado. To the same extent that a similar situation is present, the same thing would be true of the Chicago, Rock Island & Pacific and the Missouri Pacific which are included as southwestern lines, but which have extensive mileage in Kansas, Colorado and other Western Trunk Line-states (Tr. 4390-4391-4392).

I have used all of the mileage of the Chicago, Milwaukee & St. Paul, including that portion west of the Missouri River to the Pacific Coast, in making the computations for the Western Trunk Line group. The same is true of the Chicago & North Western and the Chicago, Burlington & Quincy. I don't know how much mileage the latter has west of the Missouri River. They have extensive mileage west of the river. I would not say the operating conditions [fol. 315] or the general conditions were at all similar in what has been termed in this case Western Trunk Line territory and in the States of Washington, Oregon, California, Nevada, Utah, Montana and the Dakotas (Tr. 4392-4393).

The Wabash Railroad has extensive mileage east of the territory involved in this case in what we call Central Freight Association territory, and the results of its operation are compared in the Western Trunk Line group. The Illinois Central has a considerable line south of the Ohio

and east of the Mississippi. All of its operations appear in the net results shown in my Western Trunk Line group (Tr. 4393-4394).

The following is quoted verbatim from the transcript of testimony:

The Witness: I would merely like to point out there that necessarily figures of this kind must include the operation of each separate railroad as a whole. I have no other means of doing it, and so far as I know there are no figures available that would segregate the earnings, particularly the expenses, as between different states through natural divisions that would fit in precisely with the scope in this case.

By Mr. Outlaw:

Q. That is true, Mr. Parsons, but I will ask you, taking the Atchison, Topeka & Santa Fe as an example, would you say that the result of the operation of the Atchison, Topeka & Santa Fe System, involving operations in California, Arizona, New Mexico, Colorado, Oklahoma, Kansas, Iowa, Missouri and Illinois, a system of nine thousand miles, with only about one-ninth of it in Oklahoma, that the net result of operations of that system would be representative of southwestern territory?

A. No, sir, not by itself, but there is testimony enough to point out that the Western Trunk Line group and the Southwestern group are about of equal mileage, that is, that there would be about the same proportion of the mileage of each group within either Southwestern or Western Trunk Line territory, and the distribution of the remainder [fol. 316] was about the same as to the territory where it lay.

The Santa Fe Line reaches the Pacific Coast, and the Milwaukee Lines reach the Pacific Coast on the north. I tried to put that data in in as much detail as possible so as to make it entirely clear just what the figures cover, where the railroads are, and how much of their mileage was within the territory here affected, and how much without that territory, and where that mileage outside of the territory was situated (Tr. 4394-4395).

The witness continued: In so far as relative expenses in these groups are concerned, I feel a good deal of confidence in the figures (Tr. 4395). The rate levels in Montana and Idaho are quite different from that in Illinois. As to whether or not the consolidation would probably correctly reflect the level of rates of even expense in either Illinois or Idaho, I think there is as much extraneous matter in one set of figures as in the other, and that the effect upon the relativity of the figures for the two groups is probably about the same in one case as in the other, so that the comparisons we are able to draw from these two sets of figures are helpful and informative, and I think fairly reliable. I think they come the closest to setting up something by which we can compare one set of figures with the other than the present science of railroad accounting has given us. We are not in this case fixing any divisions on traffic between Montana or California and southwestern territory (Tr. 4396).

I do not know of any reliable estimate at this time as to the increase in revenue which the Western Trunk Lines will receive as a result of their settlement in connection with the transcontinental division. We have made computations but we feel we must verify them by experience before we can accept them ourselves, and I have none of the figures with me. Most of the traffic involved in that settlement was transcontinental traffic. On the larger part of that traffic the Western Trunk Lines' divisions were in- [fol. 317] creased, but on a very substantial tonnage they were reduced. I refer to the North Coast lumber. Our revenues will be increased as a result of the settlement, but how much I cannot even furnish an estimate. The increase would, of course, affect our net revenue (Tr. 4396-4397-4398). The Western Trunk Lines have represented to the Commission in Ex Parte 87 that the rate level in Western Trunk Line territory is too low. This might have something to do with the relatively poor showing in Western Trunk Line territory (Tr. 4398).

In Exhibit A-54, I have included in the computations for the Southwestern lines the Missouri Pacific Railroad from St. Louis to Kansas City and the lines of that company in Nebraska, Kansas and Colorado. I do not know whether or not the line between St. Louis and Kansas City is the line

of heaviest traffic density on that system. I have always understood that it was a line of high traffic density (Tr. 4399).

I selected the years 1922, 1923 and 1924 because those were the last three years prior to the hearing in this case. There were some adverse crop conditions in 1924. However, I have not sought to make a comparison of that year with the general average in the Western Trunk line states. I have figures for thirty-six consecutive months and general figures for forty-four consecutive months, and they portray the conditions as they existed during that period of time. I think that generally a three-year period affords a very good test for current conditions. Looking only to the year 1924, whatever unusual conditions may have existed then, that necessarily is one of the factors that will have to be taken into consideration in judging the significance of these figures (Tr. 4399-4400-4401).

By Mr. Larimore:

Q. Well, assuming that you have taken a three year period and that one year represents unusual conditions in Western Trunk Line territory, and assuming further in computations having to do with the Western lines or Southwestern lines, rather, you have included a great mileage of [fol. 318] the Rock Island, the Santa Fe, Missouri Pacific, and other lines, having great mileage in Western Trunk Line territory. You think, then, the situation is presented on which the Commission can intelligently act?

A. I think with the three year figures, having the light of all the information that may come out as to the conditions during those years, does afford them something that will be useful and on which they can base an intelligent decision (Tr. 4401).

Referring to page 5 of exhibit A-54, none of the Western Trunk Lines shown have any mileage in Southwesten territory, but the lines shown under Southwestern lines, such as the Santa Fe, Rock Island and Missouri Pacific, have mileage in Western Trunk Line territory, and they are in the Southwest and other states. The Cotton Belt, however, has some mileage in Illinois (Tr. 4401-4402).

The entire mileage of the Santa Fe is included in the exhibit although only the mileage in the State of Oklahoma

is within Southwest territory as involved in this case. The mileage of the Santa Fe outside of Oklahoma is shown in "mileage in other states." The mileage of the Rock Island outside of the southwestern states is considerably greater than it is in the states of Arkansas, Louisiana and Oklahoma. How much greater, I don't know. The Missouri Pacific has more mileage in the Southwest (4403). I don't know whether or not I would have materially different figures if those three lines were included in the computations for both territories. It would make an increase in the Western Trunk Line mileage, but I do not know what change it would make in the average result. It would not necessarily make much change in the average results, unless the results of those lines differed materially from the average for the roads I have indicated on the exhibit as Western Trunk Lines. I could only determine definitely what change would be made by setting up the figures (Tr. 4402-4403-4404).

[fol. 319] I have said that I thought the showing on the exhibits was fair because practically the same mileage was shown by other states between Western Trunk Lines and Southwestern lines as grouped in the exhibits. If the full mileage of the Santa Fe, Rock Island and Missouri Pacific systems were included in the mileage for the Western Trunk Lines, that would practically double their mileage shown for "other states" (Tr. 4404).

Redirect examination:

Two things contribute to the low level of rates in the Western Trunk Line territory: one is the level of the rate and the other is the measure of the division of joint rates that the Western Trunk Lines receive. I said that there was a low level of rates in Western Trunk Line territory, and the causes of that situation, generally speaking, are: the affect of state made rates in such states as Missouri and Iowa, and the other is the sharp competition as between the railroads themselves and as between the railroads and other forms of transportation, between Chicago and the Missouri River and Chicago and the Twin Cities. The competition between Chicago and the Missouri River has been that between the different railroads. The rates to the

Twin Cities still reflect the influence of water competition that once was a very potent factor in fixing the level of rates between Chicago and the Twin Cities. Market competition is also very keen and tends to keep down the level of the rates. The carriers have not yet succeeded in remedying these causes. Efforts have been made and are still being made in that direction but to the present time we have been unsuccessful (Tr. 4405-4406).

[fol. 320] Re-cross examination:

We have made many individual efforts to resist reductions that have been forced upon us by the state authorities in Iowa and we now have pending with the Iowa Board of Railroad Commissioners an application for a new schedule of class rates in that state. The Western Trunk Lines have considered several times the proposition of raising Iowa intrastate rates up to the level of the interstate rates. Our appeal has always been made to the Iowa State Commission, and we have never gone to the Interstate Commerce Commission. I am not familiar with the present condition of the Missouri interstate rates (Tr. 4407).

The intrastate rates in Missouri and Iowa both are practically on a level with the interstate rates as regards the rates between the rivers. I do not know about the level of the intrastate rates in Missouri to the interior of the state, but in Iowa the rates on shorter hauls are much below the level of the interstate rates (Tr. 4408).

By Mr. Muckley:

Q. Do you think that the Western Trunk Lines have been subjected to any more adverse state regulation than the Southwestern lines have,—Louisiana and Texas, for instance?

A. I don't know.

Q. Oklahoma and Arkansas?

A. I don't know.

Mr. Towner: Could I ask you whether or not you followed Mr. Larimore's advice to Mr. Parsons?

Mr. Muckley: Yes, sir, we have filed the Shreveport case, at one time.

(There followed a discussion of the record.)

[fol. 321] I do not know whether competition between railroads is more severe in Western Trunk Line territory than it is in the Southwest. I have no doubt that the same conditions, state regulation and competition, affect the level of the rates in the Southwest as in Western Trunk Line territory. I cannot compare the two territories in that respect (Tr. 4409).

The Iowa laws were amended two years ago, giving the Iowa Board authority, on application of the carriers, to grant relief from the long and short haul rule, but with very few exceptions the roads declined to avail themselves of that statute, feeling that the rates were already too low and that they could not afford to extend direct line rates over long routes.

(The witness did not know about the short haul clause statute in Missouri, but thought that a provision with reference thereto was included in the Missouri statute.) (Tr. 4410.)

Thereupon Attorney Towner made the following statement:

At the last hearing I undertook to get up a list showing the supplements to the list of division sheets that was offered in the record as an exhibit. I did that and I circulated copies of the list of supplements to everybody that appeared of record at the other hearing, with the statement that at this hearing I would offer it in evidence. I forgot it this morning but I would like to do it now. I take it there will not be any necessity of putting a witness on for it, so I will offer it as respondent's exhibit A-57.

(Exhibit A-57 was received in evidence.)

[fol. 322] J. A. Behrle was thereupon recalled as a witness and testified as follows:

It has been suggested that in connection with my testimony which appears on page 4190, volume 1 of the record, hearing of October 14, 1925, I did not make myself entirely clear with reference to the application of the divisions in Illinois Freight Committee division sheet No. 5. The ques-

tion was asked of me by Mr. Towner as to whether or not this division sheet has application south and east of the line of the Frisco from St. Louis to Springfield, and the answer as it appears in the record is St. Louis-Springfield. It should be understood that these divisions apply to the territory south and east of that line, and that on and north of that line the divisions are as shown in the Illinois Freight Committee sheet No. 3 (Tr. 4411-4412).

It has also been suggested that the record might be more clear with reference to the divisions between the Southwest and the territory north of Milwaukee and west of the Mississippi River as outlined in several of the maps which I have presented.

It should be understood in this connection that my general statement to the effect that the lines south were accorded Milwaukee earnings on this traffic, they should apply as to exhibits A-12, A-21, A-23 and A-24.

The question was asked of me at the last hearing with reference to the origin of the present divisions on petroleum from Oklahoma points, and in order that the record may be entirely clear I wish to make this statement:

[fol. 323] At a meeting of executive officers on October 5, 1915, in conjunction with the consideration of rates on petroleum oil and products from Kansas and Oklahoma points to points on and east of the Missouri River, which has been established by the Interstate Commerce Commission in the Mid-Continent Cases, I. C. C. Docket No. 6829, 36 I. C. C. 109, the question of the division of these through rates was referred to the chairman with the understanding that an announcement of divisions would be made simultaneously with the publication of the rates (Tr. 4412-4413).

In line with these instructions the Chairman of the Western Trunk Line Committee on April 26, 1916 submitted to the executive officers a division sheet to apply in connection with Western Trunk Line tariff No. 90, which contained the rates published in conformity with the Interstate Commerce Commission's decision in the Mid-Continent Case, I. C. C. Docket No. 6629.

At a meeting of the executive officers of Western Trunk Lines on June 20, 1916, this subject was again considered, and inasmuch as not all of the lines were represented it was

understood that the chairman would correspond with the absentees and in the event of their approval of his division sheet make announcement of the concurrence of all roads.

On July 24, 1916, the executive officers of Western Trunk Lines met again and decided that this question of division should be left with the chairman for a conference with the executive officers of the Kansas City Southern Railway, the M. K. & T. Railway and the St. Louis-San Francisco Rail-
[fol. 324] (Tr. 4413).

At a meeting of executive officers of Western Trunk Lines on September 29, 1916, the committee, consisting of the St. Louis-San Francisco, M. K. & T. and Kansas City Southern, and the chairman, to which the objections recorded against the figures submitted by the chairman had been referred, reported that with the transfer of Tulsa, West Tulsa and Sand Springs, Oklahoma, from group 1 to group 2, the division submitted by the chairman on April 26, 1916 would be acceptable.

It was understood that these divisions would take effect October 1, 1916.

At a meeting of executive officers held on November 16th and 17th, 1918, the subject was finally referred to the chairman with authority to establish these divisions and make them effective on October 1, 1916, and this action was reaffirmed at another meeting of executive officers held on March 15th and 16th, 1917.

There does not appear in the record an historical account of Illinois Freight Association division sheet No. 5, which carries the divisions via East St. Louis on traffic to and from Arkansas points. These divisions as shown in division sheet No. 5 became effective September 1, 1923. The divisions between the Illinois Rate Committee territory and Missouri points are now in dispute somewhat, although originally they were carried in the same division sheet with the divisions on Arkansas traffic (Tr. 4414).

Illinois Freight Association division sheet No. 5 represents the proportions which were formerly carried in E. B.
[fol. 325] Boyd's tariff No. 508 series, the current issue of which is 508-G, I. C. C. A-1438. This tariff series runs back to original tariff No. 508, Illinois Freight Committee I. C. C. No. 7. issued by W. H. Hossmer, Agent, effective July 15, 1909. The rates shown on this tariff were in effect

for some years previous in joint proportional freight tariff No. 1, Chicago-St. Louis Traffic Association I. C. C. No. 4, but of which, unfortuniately, we are not in a position at this time to produce a copy.

Tariff No. 506 contained proportional rates between Chicago, Peoria, Milwaukee and points taking the same rates and East St. Louis and the Ohio River, applicable on traffic to or from points in Arkansas and Missouri to or from which no through rates were published.

In addition to numerous commodity rates, this tariff contained a line of proportional class rates between Chicago, Peoria, Bloomington, Milwaukee and East St. Louis and the Ohio River, governed by the Western Classification. At that time the local class rates between these points were governed by the Illinois Classification.

The class and commodity rates in tariff No. 506 and also in proportional tariff No. 1 were also the proportions to lines north of the Ohio River and East St. Louis on southern Missouri and Arkansas traffic (Tr. 4415).

In other words, in addition to being a tariff, this sheet was also a division sheet.

The division sheets in effect between Illinois Rate Committee and Western Trunk Line territory on the one hand, and the Southwest on the other hand, covering merchandise percentages and divisions on miscellaneous commodities not specifically covered by individual division sheets have been in effect for a number of years (Tr. 4416).

[fol. 326] The Missouri Pacific division sheet No. 786-A, applying between St. Louis, Chicago, Omaha, Davenport, Fort Smith, Van Buren and Greenwood, Arkansas, via Kansas City, was issued to take effect March 1, 1906, and cancelled division sheet No. 786.

The St. Louis-San Francisco division sheet No. 1-C applying between the same territories cancelled division sheets Nos. 1-B and 21-E. These division sheets became effective May 1, 1904.

St. Louis-San Francisco division sheet 1450, which contained divisions between points on the Cotton Belt in Arkansas, Louisiana, and points north of East St. Louis, and the Ohio River and Kansas City became effective August 1st, 1906, and cancelled the percentage sheet No. 1300 (Tr. 4416).

St. Louis-Southwestern percentage sheet No. 1500 cancelled percentage sheets Nos. 1080 and 1083, and contained divisions between Shreveport, Monroe, Alexandria, Boyce, Minden and Sibley, Louisiana, via East St. Louis, the Ohio River and Kansas City. This division sheet No. 1500 was issued to become effective April 1st, 1910 (Tr. 4416-4417).

Kansas City Southern percentage sheet, Port Arthur Route, 158-B applying between Shreveport, Alexandria, Pineville, Monroe, West Monroe, and points north of East St. Louis, canceled percentage sheets Nos. 158-A and 115-A and became effective September 18, 1905.

Kansas City Southern Port Arthur Route division sheet 87-A applying between Chicago and Little Rock, Pine Bluff and Hot Springs via Kansas City was issued to become effective September 1, 1902.

[fol. 327] I wish to make this comment with reference to the division of revenue on traffic between Southwestern states and points east of the Indiana-Illinois State line.

In dividing through rates between the Southwest and points east of the Indiana-Illinois state line, via East St. Louis, the revenue is usually divided north and south of East St. Louis and the Ohio River, and the lines east receive their earnings by subdividing the proportions north with their eastern connections. In the event that there are no through rates in effect and the rates do not break on either East St Louis or the Ohio River, but are made over Chicago or other interior Illinois junctions, the proportions south are subdivided with the southwestern lines on the same basis of divisions as is applicable on local business between the southwestern points and the rate breaking points (Tr. 4417-18).

On traffic between the Southwest and points east of the Indiana-Illinois State line via Kansas City the divisions generally break over the Mississippi River, that is, the lines south of Kansas City receive their percentage proportion of the rate or division west of the Mississippi River and therefore on this traffic generally the Southwestern and Western Trunk Lines are involved in the question of divisions insofar as it affects this subdivision.

In some instances such as an oil moving between the Southwest and Central Freigth Association territory, the rates frequently break on Chicago or other interior Illinois

junctions, and in such cases the proportion west of Chicago or these Illinois junctions is subdivided via Kansas City (Tr. 4418).

[fol. 328] On lumber from the Southwest of Central Freight Association territory via Kansas City the rates were originally divided by allowing the lines to Kansas City the same proportion on lumber moving from the Southwest to C. F. A. territory as to Cairo. The eastern lines receive the same earnings as on lumber moving via East St. Louis and the lines east of Kansas City and west of the C. F. A. lines receive the balance (Tr. 4418).

This method of division, worked out on an average arrangement, is in effect today (Tr. 4418).

It has been suggested that exhibit A-32 which was presented at the former hearing and which showed the divisions of revenue on lumber from the Southwest to Western Trunk Line territory via Kansas City was rather incomplete and I have, therefore, prepared another exhibit showing this information more in detail.

There are shown from various points of origin in the Southwest various points of destination north of Kansas City, through rates, the division in cents per hundred pounds both north and south of Kansas City, the mileage north and south, the earnings in cents per ton, and in mills per ton mile (Tr. 4419).

(Exhibit A-58 was received in evidence.)

[fol. 329] The heading of the statement second from the last to the right should read "Earnings in dollars and cents per ton car" rather than "earnings in dollars and cents per ton mile."

The points of origin which I have shown are representative points in the southern lumber originating groups. The examples of movements and divisions are representative and typical of the rates and divisions and the movement of the lumber traffic generally. The mileages used are the short line tariff mileages (Tr. 4420).

At the last session I presented an outline of the more important division sheets applying on traffic between Western Trunk and Southwestern territories. In addition to these general division sheets to which I made reference there

are numerous special divisions sheets covering divisions on special commodities. Obviously, it would be impossible to set out all these divisions in exhibit form, but for ready reference and as a matter of information we have made an extract of the contents of some of the more important division sheets and embodied this information in the exhibit which has been numbered A-59.

This division sheet is described as a statement showing the division of revenues on commodities in carloads moving between Southwestern Freight Bureau territory and Western Trunk Line territory via Kansas City and East St. Louis (Tr. 4420-4421).

Exhibit A-59 includes or is composed of commodities which do not move under the general basis of divisions to which I testified at the last hearing. In other words, these commodities move under special divisions. They do not necessarily move under special divisions in all in- [fol. 330] stances, but there are special divisions applying on these commodities, which divisions are covered by the division sheets referred to in exhibit A-59 (Tr. 4421).

I want to make this reservation, of course, that this exhibit does not contain all of the detail of these division sheets; in other words, they are not reproduced as a whole, but we have selected the more important producing and consuming points as illustrations of this situation (Tr. 4421-4422).

The commodities which I have included in exhibit A-59 are commodities that actually move. There are a lot of divisions on other commodities as to which I could not find any movement. There are a great many divisions applying on the commodities on which there is no movement and many instances where point to point divisions apply on specific commodities. It is not practicable to show all those divisions in exhibit form. The only way that they can be covered is by reference to the division sheets which have been put into the record. The origins and destinations shown on exhibit A-59 are I think, typical and representative of the commodities shown. We took as a guide our investigation of the movement as disclosed by the analysis of the movement of traffic during the month of June, 1924, and such other general observations as we were able to make.

No weights are shown on the exhibit, since the car mile earnings are not shown. Not all of the movements of commodities were taken from the actual movements in June. We used those movements simply as a guide, but did not confine ourselves to them (Tr. 4422-4423).

[fol. 331] Exhibit A-60 is a statement showing the tonnage, the mileage, earnings, and division of revenue on carload freight moving between points in Missouri, Arkansas, Louisiana, Oklahoma, Texas and points on the Chicago & Alton, Chicago & Eastern Illinois, Chicago Great Western, Chicago, Milwaukee & St. Paul Railway, Chicago & North Western Railway, Chicago, St. Paul, Minneapolis & Omaha Railway, Illinois Central Railroad, Minneapolis & St. Louis Railway, and Wabash Railway in Illinois, Missouri, Iowa, Wisconsin, and Minnesota, via Kansas City, East St. Louis, Cairo, Gale, and Thebes, during the month of June, 1924. This is an analysis of the statement introduced by Mr. Balch. It applies only as to traffic having origin or destination on the lines to which I have heretofore referred. It is not entirely a summary of Mr. Balch's statement, since in that statement there is also company line business which is not taken into account in my statement (Tr. 4423-4424).

(Exhibit A-60 was received in evidence.)

[fol. 332] On page 4 to 18 inclusive we have shown a separation of this traffic via Kansas City, East St. Louis, Cairo, Gale and Thebes as between the States of Missouri, Arkansas, Louisiana, Oklahoma and Texas, and divisional groups north of the three junctions named.

Page 1 is a recapitulation of the information shown on pages 4 to 9 inclusive. Page 2 is a recapitulation of the information shown on pages 10 to 15 inclusive. Page 3 is a recapitulation of the data shown on pages 16 to 18 inclusive of this exhibit. The average haul per ton mile shown is the average weighted haul (Tr. 4425).

Northeast Texas, as we have explained in these exhibits, is that part of the State of Texas lying on, north and east of the Texas & Pacific Railway from the Louisiana State line via Longview to Big Sandy, the St. Louis-Southwestern of Texas from Big Sandy via Tyler, Athens and Corsicana to Hillsboro, the T. & B V. Railway from Hillsboro to Cleburne, the G. C. & S. F. Railway from Cleburne to Weather-

ford, the Texas & Pacific Railway from Weatherford to Fort Worth, and the C. R. I. & G. Railway from Fort Worth to Bowie, the Fort Worth & Denver City from Bowie via Wichita Falls and Vernon to Acme, and the Q. A. & P. Railroad from Acme to the Red River. The statement includes the statistics as to Texas common points territory but no traffic to and from Texas differential territory is included in this exhibit (Tr. 4425-4426).

The Texas differential traffic is shown in Mr. Balch's exhibits. I don't know whether it is described or not but all the data is in the exhibit (Tr. 4427).

[fol. 333] In this exhibit A-60 I have taken the details that were shown in Mr. Balch's exhibits and reworked them to show weighted averages and other information. I would say that the period covered by Mr. Balch's exhibits and the traffic and other statistics shown therein are typical of the general situation. I might say that before we started on this task, which is one of considerable magnitude, we gave particular attention to the proposition of obtaining a representative movement and we decided that the movement for the month of June would be fairly representative. After the statement was prepared I made a check of the movement via the Chicago & Alton Railroad and I found that as a whole it was typical of the general situation.

It may be that some few commodities are omitted, but as a general proposition the result would not be changed materially in my opinion if a longer period were selected. I believe that even if certain commodities were not shown because they did not happen to move in that particular month, the rates and divisions which apply on those commodities would be typified by the facts and figures contained in those statements (Tr. 4427-4428).

We confine ourselves to the traffic having origin or destination on the particular lines that are specified in the title page of exhibit A-60. In other words, we did not go beyond that to take in the traffic having origin or destination beyond the rails of the carriers listed. Mr. Balch's statement shows all of that information. It shows the business going beyond the Western Trunk Line territory as well as the traffic having origin or destination on the specific lines that are shown on exhibit A-60. With respect to that

particular character of traffic and rates and divisions ap-
[fol. 334] plying thereon, the figures of Mr. Balch's exhibit cover the subject (Tr. 4429).

Cross-examination:

Exhibit A-59 shows typical illustrations of divisions which are not general divisions. That is, they do not come within the scope of the general division sheet such as the Texas division sheet No. 40, Illinois Freight Committee division sheets 3 or 5. These divisions are specific divisions applying on these particular commodities and between the points shown.

The first Texas point of origin or destination appears on page 3 of the exhibit—Denison, Texas. That point is in the extreme north of Texas, but I also took more distant points. Denison is 411 miles to Kansas City, Fort Worth 512 miles and Navasota 668 miles. Fort Worth is intermediate between Denison and Navasota in point of mileage (Tr. 4430).

The points Longview, Karens, Waco, and Beaumont, Texas might be said to be in eastern Texas. There is considerable variation in the mileage which I have shown, however. The towns Denison, Hamlin, Paris and Sherman all with the exception of Hamlin are in the northeast section of the state, but there is a spread of 224 miles between Denison and Hamlin.

On sheet 5 we have shown Beaumont 766 miles and Houston 791 miles to Kansas City. The cotton seed was hauled to Sioux City (Tr. 4431).

This exhibit A-60 was predicated on Mr. Balch's exhibit and contains the information shown in his exhibit. We have shown herein the data with reference to the movements which are described in Mr. Balch's exhibit as applying via Kansas City, East St. Louis, Cairo, Gale and Thebes (Tr. 4432).

[fol. 335] No traffic is included in the exhibit which originates or terminates on lines of the Santa Fe, Rock Island or Burlington east of the Missouri River. The mileage of the Santa Fe between Kansas City and Chicago is a short line mileage, or approximately 452 miles. I do not know the mileage of the Burlington between Kansas City and Chicago.

By Mr. Outlaw:

Q. Now, those mileages which you have referred to, Mr. Behrle, are all shorter than the mileage of the Chicago Great Western between Chicago and Kansas City. Do you know what that is, relatively?

Mr. Towner: Mr. Parsons suggests it is 595 miles.

By Mr. Outlaw:

Q. Counsel for respondents states that mileage is 595 miles. Do you know what the mileage of the Chicago, Milwaukee & St. Paul is between Chicago and Kansas City?

A. I imagine somewhere between 500 and 525 miles (Tr. 4433-4434).

The use of mileages of these other lines like the Chicago Great Western, Chicago, Milwaukee & St. Paul between Chicago and Kansas City and the elimination of lines like the Burlington, the Santa Fe and Rock Island would not make much difference in the data shown except in the case of the Santa Fe, for the reason that the mileage of the Chicago & Alton Railroad which next to the Santa Fe, is the short line, is included. The mileage of the Wabash, 512 miles, is not so long. It might be that if the Santa Fe had been included in the computation, the average haul in Western Trunk Line territory would be somewhat reduced. But with the inclusion of the others, I do not know how it would work out. With the Santa Fe alone excluded, but taking into account the others, I do not know how it would work out (Tr. 4435-4436).

[fol. 336] The mileage of the Burlington from St. Louis to Chicago is about 325 miles and the mileage of the Alton is 279 miles. I have not included the Burlington in my figures to St. Louis. The effect of the inclusion of the Santa Fe from Kansas City to Chicago on business going north of Chicago to Milwaukee, for example, would be to include a longer line than that of the Milwaukee Railroad from Kansas City to Milwaukee (Tr. 4436).

In exhibit A-60 we divided the state of Texas, setting off Northeast Texas because Texas is such a large state we thought we might properly make some separation of it. We did not make a similar separation with reference to

Texas differential territory because the southwestern lines receive the arbitraries that apply beyond the Texas common point line. The picture is complete as far as it goes and it comprises the major part of the territory.

We did not split up the state of Illinois because there was not as much to split up in Illinois as there is in Texas. We did not split in accordance with how much was left after we split it (Tr. 4437).

I did not testify as to how the divisions on lumber were made from the southwest to northeast of Chicago, moving through the St. Louis gateway.

What I said about the lumber situation was that the basis for division between the Southwest and C. F. A. territory was that the lines up to the Missouri River got the proportions that were given the lines up to Cairo and the lines east of Chicago were given the same earnings that they would receive on lumber from the Southwest moving via East St. Louis; lines between Chicago and Kansas City got the balance.

[fol. 337] The lumber that moves through East St. Louis through C. F. A. territory is divided by the Ohio River and East St. Louis. The lines east of East St. Louis receive their proportion out of the proportion north of Thebes or Cairo. I do not have the figures (Tr. 4438).

The basis of the proportional rate from East St. Louis is:

The rates originally broke over the Ohio River and the lines from the Ohio River to East St. Louis were given an arbitrary, and the lines east got the balance (Tr. 4439).

On oil from Oklahoma to the Indiana state line:

As a general proposition the rates were constructed on various combinations and were generally divided as made except that our southern friends as a general proposition feel that they are entitled to their proportional rates up to East St. Louis. That is a point of dispute between the southwestern and eastern lines.

There is some question as to what junction the rates on oil from Oklahoma to northeast of the Illinois-Indiana state line break over at present. The through rates have been recently established between Oklahoma and Indiana and the divisions of those through rates is in dispute now.

As to the Danville, Illinois district, the lines northeast of East St. Louis are asking for a division of rates to the base point, but the southwestern lines contend for their propor-

tional rates up to East St. Louis, leaving the balance all to be subdivided with the eastern lines.

[fol. 338] You can not disregard the subdivision between the eastern lines, because there are two propositions there: One is to divide the rate as it breaks and the other is to allow the southwestern lines their proportional rate up to East St. Louis and subdivide the balance with the eastern lines. Both bases obtain at the present (Tr. 4439-4440).

Lumber is a fairly heavy moving commodity. The Western Trunk Lines participate in the allowances made to the tap lines to the extent that the divisions north were predicated on the allowances that the southern lines had to make to the tap lines. They were predicated on that; that was taken into consideration (Tr. 4441).

The following is quoted verbatim from the transcript of the testimony:

Q. Now, are we to understand from your testimony that you think the mileage prorate would be proper, dividing the rates on traffic interchanging between Western Trunk Lines and the Southwest?

A. I have not made any expression on that point at all.

Q. You do not want to make any expression on that?

A. No, sir.

Q. You do not want to say whether that is a proper basis of division?

A. No, sir (Tr. 4441-4442).

The witness, continuing:

Exhibit A-60 includes all carload shipments during the month of June 1924 in both directions having destination or origin on the lines shown on the title page.

The difference in the average weighted haul of all such commodities between East St. Louis and northeast Texas, and between East St. Louis and all common point territory south of East St. Louis is 51 miles (Tr. 4443).

[fol. 339] E. J. SCHMIDT was thereupon recalled as a witness and testified as follows:

Direct examination:

I testified at the former hearing in this case, but have some additional data with which I wish to supplement my former testimony.

Exhibit A-61 is a statement showing the division of revenue on lumber north of Thebes from various producing points in the Southwest to representative points in Illinois and Wisconsin via Thebes, Illinois. It shows the through rate, divisions and cents per hundred pounds, mileage north and south of Thebes, earnings per ton, per ton mile, per car and per car mile. The figures are self explanatory and I do not believe that there is any comment necessary. I would say the examples shown in this exhibit are typical of the same situation (Tr. 4443-4444).

(Exhibit A-61 was received in evidence.)

[fol. 340] Exhibit A-62 supplements A-36. In exhibit A-36 I merely indicated at the previous session the rates and divisions in cents per hundred pounds from representative southwestern producing points. This exhibit elaborates upon A-36, showing the through rate divisions in cents per hundred pounds, mileage north and south of East St. Louis, earnings, in cents per ton, per ton mile, per car and per car mile. The examples shown on exhibit A-62 I think, would be typical of the entire situation (Tr. 4445).

(Exhibit A-62 was received in evidence.)

[fol. 341] I put in the basis for the lumber rates and divisions at the former hearing (Tr. 4445-4446).

ELMER A. SOLLITT was thereupon called as a witness and testified as follows:

Direct examination:

My name is Elmer A. Sollitt. I live at St. Louis, Missouri, and I am an official of the Wabash Railway Company. I am General Superintendent of the Western Distric, which comprises the line from Decatur west via Springfield and Hannibal to St. Louis. The lines from St. Louis including the St. Louis terminal, west to Moberly; the line from Moberly northward to Des Moines; and the line from Brunswick to Omaha.

Q. You are here to testify on behalf of the Wabash?

A. Yes, sir (Tr. 4447).

I commenced work for the Wabash Railway Company as a messenger boy about thirty-five years ago, then to

fireman, engineer, road foreman, trainmaster, assistant superintendent, acting superintendent, superintendent, and general superintendent. I have occupied the last mentioned position since September 15, 1923 (Tr 4448).

I have six exhibits which were prepared under my supervision and pursuant to my instruction. To the best of my knowledge and belief they are correct (Tr. 4448).

An exhibit consisting of six pages numbered 1 to 5½ was thereupon offered in evidence as exhibit A-63 (Tr. 4449).

(Exhibit A-63 was received in evidence and was thereafter described in detail by the witness.)

[fol. 342] The first page of this exhibit was prepared for the purpose of showing density of traffic, between Council Bluffs and St. Louis, Kansas City and St. Louis, for the years 1916 to 1924 inclusive. This exhibit shows for each of the years mentioned the number of trains operated, number of loads handled, number of empty cars handled, total number of cars handled, average number of cars handled per train, percentage of increase in each year over the year 1916 and the net tons handled per train.

It will be noted that in 1924 the average cars handled per train shows an increase of 18.23 per cent over the number handled per train in 1916. The reason the comparison begins with the year 1916 is that the Wabash Railway Company was organized and began operations on November 1, 1915, and therefore the figures for the year 1916 were the first available for this company.

Prior to November 1, 1915, the lines now operated by the Wabash Railway Company were operated by receivers appointed in 1911, and prior to that time they were operated by the Wabash Railroad Company. (Tr. 4449-4450).

Page 2 of this exhibit shows the same information as to traffic density between St. Louis and Chicago for the same years and in the same form that the preceding exhibit shows it for the lines between Council Bluffs, St. Louis and Kansas City and St. Louis. Here again it will be noted that the average number of cars handled per train in 1924 was 9.73 per cent in excess of the number of cars handled per train in 1916. The figures for the years 1916 and 1917, and perhaps a part of 1918, are high, due to abnormal conditions resulting from the great war (Tr. 4450).

[fol. 343] Page 3 of Exhibit A-63 is a comparison of the same data shown on the preceding exhibits, except that it is limited to the month of October in each of the years from 1908 to 1924 inclusive, and covers the line from Council Bluffs to St. Louis and Kansas City to St. Louis. Page 4 is a companion exhibit showing the same information for the lines between St. Louis and Chicago. I call attention to the gradual increase in average number of cars handled per train during this period.

The month of October was selected because it is one of the heaviest months in the year and operating conditions during that month may, we believe, represent a fair average for the twelve months of the year.

In connection with the foregoing exhibits I wish to say that the headings do not exactly describe the contents of the exhibit, because by "traffic density" is usually meant the net tons handled per mile of road, which, of course, these exhibits do not show (Tr. 4450-4451).

Pages 5 and 5½ of exhibit A-63 consist of condensed profiles showing in a graphic manner the grades of the Wabash Line between Omaha and St. Louis, Kansas City and St. Louis, and St. Louis and Chicago.

In traversing the distance from Omaha to St. Louis, a distance of 413 miles, it is necessary for a train to be elevated an aggregate distance of 2,868 feet. In the reverse direction the total elevation or lift is 3,401 feet. From Kansas City to St. Louis, a distance of 278 miles, the aggregate elevation is 971 feet, and in the reverse direc-
[fol. 344] tion, 1,292 feet. From St. Louis to Chicago, a distance of 288 miles, the aggregate elevation or lift is 1,142 feet, and in the reverse direction, 957 feet. In addition to the grades shown, the line from Omaha to St. Louis has many curves, many of which are exceedingly sharp. The Wabash also has a line from Des Moines to Moberly, and a line from Moberly to Hannibal. These conditions would also fairly represent the grade of the Des Moines Moberly line, although I have not separately depicted them (Tr. 4451-4452).

I have had made an investigation for the purpose of determining the number of trains necessary to handle 100,000 gross tons of freight between Kansas City and St. Louis

and between Council Bluffs and St. Louis in the year 1924 as compared with 1916, with the following results:

Between Council Bluffs and St. Louis it is found that in 1916 it required 356 trains to move 100,000 gross tons of freight requiring expedited service, commonly referred to as time freight. During 1924 it required 315 trains to move the same tonnage of the same class of freight. In 1916 it required 301 trains to move the same tonnage of dead freight, and in 1924, 267 trains. Between Kansas City and St. Louis, in 1916, it required 151 trains to move 100,000 gross tons of time freight, and in 1924, 119 trains. In 1916 it required 133 trains to move the same tonnage of dead freight, and in 1924, 100 trains (Tr. 4452-4453).

The Wabash has expended on its line, over which this southwestern traffic moves, for improvements chargeable to capital account, the sum of $5,426,807 for the period beginning November 1, 1915, and ending December 31, 1924. [fol. 345] This is an average of approximately $600,000 per annum during each of the nine years included in the period (Tr. 4453).

The Wabash has three bridges to maintain which are located at Hannibal, over the Mississippi River, at Valley City over the Illinois River, and at St. Charles over the Missouri River.

In additional to these bridges on the line of the Wabash we also make use of the Chicago, Burlington & Quincy Railroad Company's bridge over the Missouri River at Kansas City under an operating agreement, which obligates us to pay the Burlington approximately $40,000 per year. The Burlington, however, is demanding that this payment be materially increased. The bridge used by the Wabash at Hannibal over the Mississippi River is 1,556 feet in length, 1,411 tons in weight, and its value new in 1914 was appraised at $374,800, and it is estimated that to replace in kind in 1925 would cost $625,900.

The bridge over the Illinois River at Valley City, Illinois, is 3,524 feet in length, 759 tons in weight, appraised value new in 1914 was $159,500, and to replace in kind in 1925 would cost $285,600. The bridge over the Missouri River at St. Charles is 6,519 feet in length, 4,357 tons in weight, appraised value new in 1914, $1,303,100, and the cost to replace in kind in 1925, $2,239,200.

The figures I have just given might indicate excessive length of bridge for the steel weight. This is explained by the fact that the bridges at Valley City and St. Charles both have very long approaches. The approaches to the St. Charles Bridge have timber docks with concrete post [fol. 346] tower supports. The total length of the approaches to the Valley City Bridge is 1,774 feet, and the St. Charles Bridge 4,342 feet (Tr. 4454-4455).

In 1902 the Wabash Railway Company had in use 490 locomotives, representing a tractive effort of 7,325,010 pounds, or an average of 14,949 pounds per locomotive, 91 of these locomotives being used exclusively in switching service. In 1915 it had 589 locomotives, representing a tractive effort of 17,788,289 pounds, or an average of 30,201 pounds per locomotive. In 1924 the Wabash Railway Company had 645 locomotives, representing a tractive effort of 23,382,542 pounds, or an average of 36,252 pounds per locomotive, 144 of which engines were engaged exclusively in switching service. In addition, the Wabash has purchased fifty additional freight locomotives of heavy capacity, which increased the figures as shown for 1924 to be: Total engines, 687; total tractive effort, 26,554,163 pounds; average per locomotive, 38,652 pounds (Tr. 4455).

The Wabash is spending a lot of money at Kansas City in building a new freight yard. We are constructing a new yard in what is known as North Kansas City, at an expenditure this year of about $350,000, which includes a few tracks, I will say that, because I am general superintendent, and a roundhouse and service buildings, and such things are necessary for a freight terminal. We are not going to abandon the Randolph yards. The Randolph yards are comparatively inadequate. I would say they are too far away from Kansas City (Tr. 4456).

In my judgment and opinion the road is being operated economically at the present time, and I would say that in my opinion it is being as efficiently operated as conditions will permit and in my opinion it is being honestly operated (Tr. 4456-4457).

[fol. 347] Cross-examination:

The conditions of our line from Omaha to Brunswick do not permit us to operate as heavy power between the two

points as we can between Kansas City and St. Louis. That necessarily shortens our trains (Tr. 4457-4458).

Personally, I think we have a good railroad and fairly easy to operate compared with other lines (Tr. 4458-4459).

Referring to Exhibit A-63 in the next to the last column on the right hand side of the page, where there is shown a percentage increase over 1916 of 18.23 per cent. I think that is the average cars per train. The statement was prepared some time ago and I am not certain of that. I can easily figure it out. The average cars per train would increase materially in 1924, due to some heavier freight power that the company purchased as is shown by the latter part of my statement. My explanation for the difference in the increase in average cars per train on other parts of the line and on the line between St. Louis and Chicago is that prior to 1924 we assigned to the line between St. Louis and Chicago some very heavy freight power. We had sufficient heavy freight power prior to 1924 to operate that line. This situation did not prevail over part of the other line that we discussed. The power that we have used on the Chicago-St. Louis line has approximately the same tractive effort as the new power that we assigned to the other territory. The fact that although the loaded cars handled in 1923 and 1924 remained fairly constant, there were approximately two thousand trains less in 1924 than in 1923 on the Kansas City-St. Louis line and approximately a little over two thousand trains more on the St. Louis-Chicago line in 1924 than 1923, was brought about I think, by the increased number of loads handled. The fact that between St. Louis and Chicago we handled in 1924 approximately 144,941 more empties than in 1916, whereas between Kansas City and St. [fol. 348] Louis the increase in number of empties was only 70,498, would increase the load between St. Louis and Kansas City (Tr. 4459-4460-4461).

I did not work up data or have it worked up in preparing this statement as to the effect of the manner in which freight was offered upon filling trains to their capacity. I can only answer for the last two years. Since September, 1923, we could of course, have increased the load per train if we always had a full tonnage train to go for the kind of a train that we were going to run when we ran it. That is the situation in connection with all of the train loading.

The question of whether a given amount of freight is available to full capacity must always be given consideration in any figures dealing with that subject (4462-4463).

Referring to page 5 of exhibit A-63, I have not shown any figures in which the ascent or descent of grade in feet per mile can be computed. It just shows the raise for a certain distance and the small figures above the line are the feet raise. The scale is below. This print does not show the maximum rate or percentage of raise. I do not have those figures with me. This is the only profile that I have here to submit. The figures shown on page 5 indicate the actual rise or fall in feet between the points indicated (4463).

The line from Kansas City to St. Louis is shown on page 5 and the same line appears on page 5½. There is a difference of one foot at the right side of these two pages, one shows 79 and one shows 80. They are intended to be exactly the same profile (Tr. 4464).

I do not think that our expedited freight would consist almost entirely of transcontinental fruits and vegetables and live stock and packing house products. We handle general commodities that are handled by a railroad and I would not attempt to designate all of the commodities we [fol. 349] handle in expedited freight service, not being prepared to do that. As a general proposition, I would say that a large percentage of the expedited freight would be fresh fruits, vegetables and live stock. The Wabash carries considerable live stock. I do not know how its tonnage compares relatively with other lines without figures on that. We serve the St. Louis and Chicago market and handle quite a bit of live stock into Chicago. We handle some live stock to Chicago from Iowa and Missouri both (Tr. 4464-4465).

The average capital expenditures for the last nine years of about $600,000 per year includes the entire mileage of the line, slightly over 2,500 miles. The distance on the Wabash from Council Bluffs to St. Louis is about 500 miles and from St. Louis to Chicago 286 miles. Those are main lines of the Wabash. There is 35 miles of branch line mileage under my jurisdiction west of the river. Practically all the traffic interchanged with the southwestern

lines would move over main lines of the Wabash (Tr. 4466-4467).

My reading leads me to believe that improvements in service similar to those I have mentioned as made by the Wabash with reference to loading, number of cars per train, tractive effort, locomotives, and so forth, have been made by practically all roads in the country. I can not give a comparison of the improvements by the Wabash with the improvements made by other roads (Tr. 4467-4468).

Attorney Towner here stated that the mileage of the Wabash west of the Mississippi was 840 miles.

The witness, continuing:

The total mileage was slightly over 2,500 miles. This [fol. 350] $600,000 improvement covers improvements east of the river as well as west. Some of the traffic which we interchange with the Southwestern Lines moves east of the river (Tr. 4468-4469).

I do not have with me the average gross train haul as compared with the locomotive ratings on the Wabash. I know the ratings of our locomotives and can get the figures of the average gross tons in trains, for the purpose of ascertaining what per cent of the engine rating is utilized. I do not think that this would be a better basis of making comparisons as to the efficiency of operation than the basis I have shown. I am not familiar with the Frisco and M., K. & T. (Tr. 4469).

The Wabash has a water grade line between Kansas City and Brunswick. The line between Brunswick and Moberly is not a very low grade line. We have some pretty heavy grades in there (Tr. 4470).

We got some of our fuel for our Missouri lines from Illinois and some from Missouri. In hauling traffic from St. Louis to Omaha and from St. Louis to Kansas City we used the same rails to Brunswick. From Brunswick to St. Louis, the Omaha and the Kansas City lines constitute the same rails (Tr. 4470-4471).

There followed a discussion as to whether the figures on the two profiles showing the line from Brunswick to St. Louis differed radically. The witness said that he did not believe there was enough difference to amount to anything, that the exhibit for the line from Omaha to St.

Louis was prepared in a hurry and not checked as carefully as he would have liked to check it. The witness said that the grade line should be exactly the same from St. Louis to Brunswick on both of the profiles (4471-4472).

[fol. 351] We generally handle through traffic that goes from Chicago beyond Kansas City to the Southwest through the Hannibal Gateway. A portion of it moves by way of St. Louis. The same is true of traffic in the reverse direction. In handling traffic through the Hannibal gateway, we handle it in through lots, from Decatur to Moberly. We have yards at Hannibal. Between Kansas City and St. Louis, we have but one division point—Moberly. We do not handle through traffic from St. Louis going beyond Kansas City entirely in trainload lots without any intermediate switching. We add to and take off considerable tonnage at Moberly because our line to Hannibal deviates to the northeast (Tr. 4472-4473-4474).

The curvature is not shown on pages 5 and 5½ of exhibit A-63. Any engineer could figure the grades (Tr. 4474).

Thereupon a further discussion arose as to the correctness of the profiles of the road between Brunswick and St. Louis. Attorney Strasser thereupon stated:

Mr. Examiner, as Mr. Sollitt has explained, his profile was hurriedly prepared, and owing to the confusion in the engineer's office on account of having moved from one floor to the other, and not having their workshop in order, it may be that they put two different men on the work of preparing these two profiles. We will be glad to have them checked and corrected as to any errors that may be found.

The witness thereupon said that he would prepare and send to the parties a corrected exhibit (Tr. 4475-4476).

[fol. 352] Redirect examination:

I think that we could have hauled heavier trains in both 1916 and 1924 and that if we had *had* always had the maximum amount of freight that we could haul at any one time of the particular class of freight we could haul, we might have increased the tonnage on our trains in 1924 as well as in 1916, under the same conditions (4474).

C. L. HINKLE was thereupon called as a witness and testified as follows:

My name is C. L. Hinkle, and I am general manager of the Chicago Great Western Railroad. I have held that position about five years, during which time I have had complete supervision and direction of operation on that railroad (Tr. 4474).

As reflecting the progressive development in transportation efficiency on the Chicago Great Western Railroad during the thirteen year period 1912 to 1924 inclusive, there is cited the fact that in 1912 the average gross tons per train mile on the route between Council Bluffs and Chicago was 1,237, this being steadily increased in the succeeding years until for the year 1924 it amounted to 1,665 tons or an increase of 34.8 per cent in the year 1924 over that of 1912.

In the year 1918 the increase was 25.6 per cent over the average gross tons per train mile in 1912. In the year 1918 the increase was 25.6 per cent over the average gross tons per train mile in 1912, the figures for 1918 being given simply because it is a half way point between 1912 and 1924 (Tr. 4478).

[fol. 353] For the route between Kansas City and Chicago the average gross tons per train mile in the year 1912 was 1262 and in 1924 was 1761 or as increase of 39.5 per cent. In 1918 the increase was 18 per cent over the average gross tons per train mile in the year 1912.

For the route between St. Paul and Chicago the average gross tons per train mile in the year 1912 was 1344. In the year 1924 it was 1964 or an increase of 46.1 per cent in the thirteen year period. In the year 1918 the increase was 40.4 per cent over the gross tons per train mile handled in the year 1912. (Tr. 4478).

On the route between Kansas City and St. Louis the average gross tons per train mile in the year 1912 was 1018. In the year 1924 it was 1731 tons or an increase of 70 per cent. In the year 1918 the increase was 35 per cent over the average gross tons per train mile handled in the year 1912.

Expressed in another way, if the tonnage moved between Council Bluffs and Chicago in the year 1918 had been handled on the basis of the average train load of the year 1912,

it would have required 331,474 train miles more than was actually operated in the year 1918, equivalent to an addition of 25.6 per cent; or if the tonnage moved between Council Bluffs and Chicago in the year 1924 had been handled on the basis of the average train load of the year 1912, it would have required 574,744 train miles more than was actually operated in the year 1924, equivalent to an addition of 34.6 per cent.

If the tonnage between Kansas City and Chicago in the year 1918 had been handled on the basis of the average train load of the year 1912, it would have required 299,191 train miles more than was actually operated in the year 1918, [fol. 354] equivalent to an addition of 18 per cent; or if the tonnage moved between Kansas City and Chicago in the year 1924 had been handled on the basis of the average train load of the year 1912, it would have required 744,342 train miles more than was actually operated in the year 1924, equivalent to an addition of 39.5 per cent.

If the tonnage moved between St. Paul and Chicago in the year 1918 had been handled on the basis of the average train load of the year 1912, it would have required 451,189 train miles more than was actually operated in the year 1918, equivalent to an addition of 40.4 per cent; or if the tonnage moved between St. Paul and Chicago in the year 1924 had been handled on the basis of the average train load of the year 1912, it would have required 680,823 train miles more than was actually operated in the year 1924, equivalent to an addition of 46.1 per cent.

If the tonnage moved between Kansas City and St. Paul in the year 1918 had been handled on the basis of the average train load of the year 1912, it would have required 432,115 train miles more than was actually operated in the year 1918, equivalent to an addition of 38 per cent; or if the tonnage moved between Kansas City and St. Paul in the year 1924 had been handled on the basis of the average train load of the year 1918, it would have required 936,675 train miles more than was actually operated in the year 1924, equivalent to an addition of 70 per cent. (Tr. 4480.)

[fol. 355] That illustrates in its own way the increase in train loading which has occurred on car line during that period.

While the Chicago Great Western Railroad has not attained the ideal in the establishment of a modern plant for the conduct of transportation, it nevertheless has roadway the standard of which is comparable with that of the other Chicago-Missouri River lines, and which is equipped with appurtenance, motive power and rolling stock that are modern and from which is realized the greater measure of efficiency and economical operation. (Tr. 4480-4481.)

The expenditures for additions and improvements made by the present company from September 1, 1909, to December 31, 1924, to keep pace with natural development of the territory served, and more particularly to gain the benefits of improved machinery, devices and plant appurtenances have totaled $32,843,292, mostly of borrowed money. This has been at the rate of $1,481,652 per annum to meet the minimum requirements of our service, but if the growth of business continues we estimate that our future annual requirements for additions and improvements will be $3,000,000 of new capital. I mean Additions and Betterments. (Tr. 4481).

While we are constantly striving to effect additional economies in operation without detriment to the service and without additions to investment, the facts are that the railroad is being operated about as economically as possible with the existing plant and with due regard for efficient service.

Many devices for increasing the efficiency of the personnel are practiced on the Chicago Great Western Railroad. A safety organization has been perfected, with which practically every officer and employe is identified and in which keen interest is taken by all. In the national com- [fol. 356] petition with other railroads, the silver replica of E. H. Harriman memorial gold medal, awarded by the American Museum of Safety, for the best record of an individual operating division in accident prevention and health promotion, was won by our railroad. (Tr. 4481-4482.)

The work of this safety organization is reflected in the fact that during the ten year period ended December, 1924, there was brought about an increase of 73 per cent in all casualties incident to the carrier's operations, notwithstanding the hazards were naturally increased by a 47.5

per cent growth in the volume of traffic handled during the same period with increased personnel.

A similar organization devotes itself to freight claim prevention and its work is reflected in the fact that there was more than $32,000 decrease in the amount of claims paid for loss and damaged freight in the year 1924 compared with the previous year, equal to a decrease of 16.08 per cent. The previous year was 1923, the year following the strike. (Tr. 4482.)

The interest of train and engine service operatives as well as other employes directly or indirectly concerned in the conservation of locomotive fuel is aroused and kept constantly alive by competitive contests in which the operating division making the best record in competition with the others, in road and yard service respectively, is awarded cash prizes totaling $750 per quarter, which the employes are free to spend for such purposes as they may elect. For the year 1924 as compared with 1923, there was effected a saving of 66,302 tons of coal due entirely to decreased consumption per service unit and the value of which—at [fol. 357] 1924 price f. o. b. locomotive tenders—was $228,047. In addition thereto the management takes credit for a saving of $390,452 in the year 1924 by securing the advantage of a long term contract for the supply of its locomotive fuel. In other words, the advantage as gained was a material reduction in the price of the coal over what we had previously been paying. If the price goes down, we have a saving clause in the contract which permits us to withdraw, but holds the other fellow. (Tr. 4483-4.)

By more intense supervision and interest on the part of employes and subordinate officers and the co-operation of the company's patrons, the average miles per freight car per day have been steadily increased over a period of years. In the year 1920 it was 24.0; in 1921, 26.2; 1922, 27.7; 1923, 38.3, and the average for the year 1924 was 40.3 miles per car per day, an increase of nearly 68 per cent within a period of four years and which largely compensated for the Great Western Railroad's deficiency in freight car ownership related to the volume of traffic handled. This record is constantly being improved upon, and for the month of October, 1925, the average miles per freight car per day was 49.6. This includes line haul, empty, loaded,

and bad order. Every car on the track. That is the figures submitted to the *figures submitted to the* American Railway Statistical Bureau, who compiled the statements. It includes also private line cars. Our railroad is approximately 1,500 miles long. (Tr. 4484-4485).

Most substantial economies have also been effected in reducing the amount of working capital invested in stock materials directly as to quantities and indirectly the cost of handling excess stocks. As of February 28, 1920, the end of the Federal control period, the aggregate value of [fol. 358] materials on hand was $2,374,567, whereas on December 31, 1924, the aggregate value of materials then on hand was but $1,122,309—a decrease of nearly 53 per cent. Comparing the value of materials on hand at the close of the year 1924 with the close of the year 1923, there was a reduction of over $480,000 or more than 29 per cent. (Tr. 4485.)

As heretofore stated the Great Western Railroad is at present being operated about as economically and efficiently as possible. Any further steps in that direction will have to come as the result of capital expenditures, and we have not at this time the capital to invest. In the first six months of 1923 the carrier had a net income of $161,190; in 1924 it had a deficit of $207,220 which means that the 1924 net income was $368,410 or 229 per cent less than in 1923. I refer to net railway operating income. In 1925 there was a deficit of $432,070, which means that the 1925 net income was $393,260, or 368 per cent less than in 1923. I do not mean after payment of fixed charges. This is net operating income, the deficits being $432,070 (Tr. 4485-4486).

The deficit of $432,070 at the end of June this year is from normal operation of the property, and we say "normal operation" because very large extraordinary expenses incurred during the month of June have not yet been changed into the accounts. In the middle of that month storms and floods in Iowa destroyed a number of bridges and miles of roadways and embankments, and did great damage to other valuable property of the carrier. From the evening of June 14th to June 29th inclusive, 75 miles of the carrier's main track between Dubuque and Oelwein was entirely [fol. 359] abandoned for traffic, during which period the trains of the Chicago Great Western were detoured over other railroads at a great expense.

The total loss to the company on account of the storm damages will be approximately $400,000 and the amount expended in June will bring the deficit at the end of the first six months of the year up to $536,070, which leaves approximately $300,000 to be expended and charged into our accounts after the end of June. These figures I have given with respect to our net operating income are for the first six months of each year (Tr. 4486-4487).

Rolling stock, and particularly freight cars, is in need of repair but the company has been obliged to curtail this important work on account of the large cash requirements to carry on repairs to property damaged by flood. It has been necessary to close the shops for protracted periods and which would not have been done but for the decline in revenues and the necessity for conservation of funds.

With all of the savings effected by rigid economy, and by curtailment of maintenance expenses to the lowest point consistent with safe operation of the property, the company has been unable to earn its interest and fixed charges during the first six months of this year; and it does not appear at this time that earnings will increase sufficiently in the remaining months to overcome the existing deficit (Tr. 4487).

Attorney Towner thereupon offered as exhibit A-64, a profile of the Chicago Great Western Railroad between Chicago and Council Bluffs (Tr. 4488).

(Exhibit A-64 was received in evidence.)

[fol. 360] Attorney Towner thereupon offered as Exhibit A-65, a profile of the Chicago Great Western Railroad between Chicago and Kansas City (Tr. 4488).

(Exhibit A-65 was received in evidence.)

Attorney Towner thereupon offered in evidence as Exhibit A-66 a profile of the Chicago Great Western Railroad from St. Paul to Council Bluffs (Tr. 4488).

(Exhibit A-66 was received in evidence.)

Attorney Towner thereupon offered in evidence as Exhibit A-67, a profile of the Chicago Great Western Railroad from Chicago to St. Paul (Tr. 4489).

(Exhibit A-67 was received in evidence.)

The witness, continuing:

Referring to Exhibit A-64, I do not believe much explanation is necessary as the profile speaks for itself. It

shows very clearly the rolling nature of the country traversed and the fact that the country wherein all our lines lie is of a rolling nature. The majority of the ridges running from north to south make it necessary for us to first raise and then decrease our tracks in order to get over the ridges, making what the railroad men know as a roller coaster road. This has a very material effect upon train loading as compared with a practically level line. It is obvious that the train load must be materially decreased in order to get over the rolling grades at such points as we do not furnish a helper engine, at a heavy expense. It is not practical to use helpers on a line such as this at all points. [fol. 361] It is impractical because of the constant succession of rises and falls. The physical situation has the effect of decreasing the train loading, because of the impracticability of using helpers (Tr. 4489-4490).

Referring to exhibit A-64, showing the line from Chicago to Council Bluffs, the numbers just above the grade line of the railroad are the percent of ascending or descending grade as shown on the profile. The names on the top are the names of the stations and the figures at the bottom are the tonnage ratings of our Mikado locomotives in either direction. The character of locomotives used in either division is shown. A large majority are Mikado locomotives. Practically all of our trains on the eastern division, Oelwein to Chicago, and the northern division, Oelwein to the Twin Cities is handled by the Mikado locomotives. Our grade line on the western division is easier than on either of the other divisions, that is, the division between Oelwein and Council Bluffs. The tonnage ratings of the locomotives are in gross tons, that is, the tonnage that the locomotive of that type can haul over the line indicated (Tr. 4490-4491-4492).

All of these profiles, A-64 to A-67 inclusive, are made up precisely the same way, and show the same information (Tr. 4492).

Cross-examination.

The examples showing that the gross tons per train have materially increased from the year 1912 successively to 1924, indicates that we have a heavier train loading. In this increase, the character and amount of the freight

offered at any given time would be a factor. We are not loading our trains to full tonnage capacity on account of the nature of the traffic we handle. That would be true throughout the examples I gave. I stated our traffic in 1924 was materially heavier than in 1912 (4493). Unless there was a difference in the nature of traffic to be handled, the [fol. 362] fact that the traffic is heavier affords a greater opportunity to load our trains up to the maximum carrying capacity of the engine. Any increase in the volume of business to be handled will tend toward increasing the train load. I would not say that the percentage of increase in train loading, 1924 over 1912 would be materially affected by the greater tonnage in 1924. That would have some effect. I think there are other factors that would have more to do with the train loading than the increased volume of the traffic. The availability of a greater amount of tonnage helps (Tr. 4492-4493-4494).

On our Kansas City to Chicago line, the gross tons per train mile increased 39.5 per cent, 1924 over 1912. On the Kansas City-St. Paul line the gross tons per train mile increased 70 per cent in this period. Traffic moving over the Kansas City-St. Paul line and Kansas City-Chicago line, would move over that part of our line from Kansas City to Oelwein, Iowa. The distance from Kansas City to Oelwein is more than half of the distance either between Kansas City and St. Paul and Kansas City and Chicago. The fact that the gross tons per train mile increased 39 per cent on the Kansas City-Chicago line and 70 per cent on the Kansas City-St. Paul line does not indicate that there were some other factors than operation that caused the increased number of gross tons per train mile. Except as I have previously stated, an increased volume of tonnage would always help in keeping up your train load. There has been a very marked difference on the train load in what is known as Southern division between Oelwein and Kansas City.

I do not arrive at the conclusion that the greater demand of the traffic has had a great deal to do with the ability to load our trains to greater capacity. Take it for granted [fol. 363] that the increase on the eastern division from Oelwein to Chicago, the increase in train load has not been so marked, but we do have a marked increase in train load on the southern division, Kansas City to Oelwein, and the

northern division, Oelwein to St. Paul. I think that probably will account for the difference in the per cent of increase. The increase on the eastern division is around 26 per cent. I do not think that the character and amount of traffic have been the principal factor in increasing the train loading. Exactly the same conditions apply on Kansas City to St. Paul and Kansas City-Chicago traffic insofar as the line between Oelwein and Kansas City is concerned. The trains come into Oelwein from the southern division when traffic is between the northern and eastern divisions. It is a break-up point (Tr. 4495-4496-4497).

I said that our line was somewhat of a roller-coaster line. To a certain extent, compensating grades are present in such a line. To a certain extent the grade resistence on the up grade is overcome by the memorandum acquired on the down-grade. That is true of short grades, but when you come to grades of five or six miles only of one per cent, that cannot be compensated.

Our profiles show that we have grades practically six miles long that are one per cent grades. There is not a uniform rise of 52 feet to the mile, for six miles, but the majority of the grade would be one per cent. Referring to the Chicago-Kansas City profile, starting from Des Moines westward, you will find that at mile pole 400, we start to climb. The first ten miles is approximately two per cent. The next ten, approximately one-half of one per cent, and [fol. 364] the next three and a half miles is one per cent. That is at the top of the hill, so there is no compensating feature there. I have no scale, so I am not absolutely correct. We do not use helper service at that point.

Going down the line you will find quite a lot of one per cent grades indicated in both directions. For the most part of the line, so far as mileage is concerned, there is a 6/10ths of one per cent grade. A 6/10ths of one per cent grade is considered a very fair railroad; 5/10ths is better (Tr. 4497-4498-4499).

I do not have the figures showing the cost of conducting transportation. My impression is that it was around 81. I am talking about operating expenses. I cannot give you the figures. I can furnish it to you. I cannot answer under oath without looking up the figures what the cost of

conducting transportation for the first six months of this year was (Tr. 4499).

The witness thereupon agreed to furnish the transportation figures referred to and the joint facility rates, debit and credit for the year 1924 (Tr. 4506).

GEORGE B. VILAS was thereupon called as a witness and testified as follows:

My name is George B. Vilas. I am general manager of the Chicago and North Western Railway Company, located at Chicago. I have been employed by the North Western for 37 years in the operating and traffic departments. I have been train master, assistant superintendent, superintendent, assistant general superintendent, general superintendent, assistant general manager, and general manager. In my present position I have entire charge of the operation over the entire Chicago and North Western Railway. My testimony in this case will also deal with the Chicago, St. Paul, Minneapolis & Omaha Railroad, as far as my knowledge goes. That is an affiliated company of the North [fol. 365] Western. I think that it is in the process of being taken over and operated by the Northwestern. I do not know that that has actually been done but it is being done (Tr. 4500-4501).

The general traffic of the Chicago and North Western Railway, the same as other lines, has shown extraordinary increases within the past twenty-five years. The increased tractive power of engines, and increased capacity of cars, reductions of grades, and other improvements, have enabled the Chicago and North Western Railway Company to handle 120 per cent increase in net ton miles per mile of road in 1924 compared with 1902, with an actual decrease in train miles per mile of road. This has been accomplished by increasing the average freight train load from 658 gross tons in 1902, which is the earliest year for which gross ton mile statistics are recorded, to 1295 gross tons per train for the year 1924 (Tr. 4501).

This Southwestern business under consideration is interchanged with the North Western largely at the following

points: Chicago, Omaha, Benld, Superior, Nebraska, and Des Moines. Denld is in the southern part of Illinois. These points are all located on branch lines with the exception of Omaha and Chicago, and the cost of handling on the branches is considerably more expensive than the double track main line. This traffic is brought to the main line, however, and moves in considerable volume over the double track railroad between Omaha and Chicago. On this line between Omaha and Chicago dead freight tonnage is handled as maximum efficiency, net tons per train having in- [fol. 366] creased from 306 tons in 1900 to 675 tons in 1924, an increase of 120 per cent.

A considerable volume of this business originates or terminates in Wisconsin. Paper, cheese and dairy products move in large quantities from northern Wisconsin points and a substantial East and northbound movement goes to Milwaukee and other Wisconsin points, nearly all being handled through the expensive Chicago switching district. The growth of traffic, development of the territory served, and the increased congestion at terminals, together with the necessity for decreased operating costs, have required the expenditure of large sums of money on the Chicago and North Western property for improvements. Since 1900, the capital expenditures for improvements of road, including additional main tracks, yard and terminal improvements, ballasting, heavier rails, installation of signal protection, track elevation, depressions, and other elimination of grade crossings, have amounted to $194,322,204. The capital expenditures for improved and additional equipment—other than replacements—during the same period, amounted to $97,982,406. This does not include expenditure of $57,809,977 for new lines and extensions built to develop new territory, but includes merely improvements in connection with the territory then served. A large part of the above expenditures were incurred in the improvement of lines in the densely populated sections of Illinois, Iowa, and Wisconsin which handle the through traffic under consideration (Tr. 4502-4503).

The following capital expenditures for major improvements have been made on the line between Chicago and Omaha since 1900: Second, third and fourth tracks and [fol. 367] Bluffs and Chicago, $5,396,000. New Mississippi grade revisions $7,290,000. New Grain elevators, Council

River bridge at Clinton, Iowa, $1,450,000. New Des Moines River bridge at Boone, Iowa, $1,102,000. Engine terminals and yard improvements, $2,795,000. Elevating tracks in Chicago district, $6,026,000. Chicago terminal, $26,767,000. Total, $50,832,000 (Tr. 4503-4504).

The track elevation, new passenger terminal and other improvements in Chicago were largely necessitated by the congestion of freight traffic in this territory, and the necessity of separating the two. The passenger terminal improvements include the elevated tracks leading into the terminal which enables us to separate the passenger and freight traffic, enabling the freight traffic to be given a highway level delivery, so that our freight and passenger traffic in the Chicago terminal district is not handled on the same tracks. It was absolutely necessary to have the separation in order to enable us to properly handle our freight traffic. The cost of elevating and depressing tracks, construction of additional main tracks and cut-off between Chicago and Milwaukee, and grain elevator at Milwaukee have amounted to approximately $10,363,806 since 1900 (Tr. 4504).

The above improvements do not include extensive improvements of bridges, station buildings, ballast, signal and other improvements running into millions of dollars, but not assigned specifically to these lines, but all of which are used to a considerable extent in handling this Southwestern business which is distributed generally over the Chicago & North Western lines. The average tractive power per freight engine has been increased from 18,000 [fol. 368] to 41,000 pounds from 1902 to 1924, an increase of approximately 126 per cent. All main line freight engines are now equipped with superheaters, brick arches, coal pushers, power reverse gears, automatic air operated fire doors, and other modern improvements, and the engines which handle the bulk of this traffic have a tractive power of over 60,000 pounds per engine (Tr. 4504-4505).

While many of the improvements to which I have just referred are made for the specific purpose of improving operating conditions and reducing cost of handling traffic, the North Western Railway Company has been forced to make

many large capital expenditures, which are entirely unproductive and do not reduce the cost of operation. Among these items is the expenditure for track elevation and track depression in the Chicago and Milwaukee districts, amounting in all to approximately fifteen million dollars. The City of Chicago had an ordinance that compelled us to elevate. The City of Milwaukee forced grade separation by depression on both sides of Milwaukee, both the east side and the west side; and all of these improvements at the larger terminals and larger stations were forced by municipal action. Extensive grade separation at Clinton, Iowa, Sterling, Illinois, Racine and Kenosha, Wisconsin, and other similar grade separations have been forced by municipal and state authorities. These projects are constantly being advanced by various communities as the population increases, and will absorb an increasingly large amount of capital funds in the near future. They are the direct result of the increasing density of population and the development of the territory through which the North Western Railway operates (Tr. 4505-4506).

[fol. 369] In addition to the physical improvements referred to every effort has been made by the management to secure economies in operation by specializing in organization and conducting campaigns in an effort to secure cooperation of employes in bringing about specific economies in the various branches of the service; for example; Each division has a Safety First Committee, consisting of members from each of the crafts, as well as the officers of the division. These division committees make recommendations which are passed upon by the General Safety Committee, consisting of general officers. The personnels of all committees change each year. At the end of each year a safety banner is awarded to the division giving the best results in this regard. This entire matter is under the general supervision of the general claim agent.

The Chicago and North Western Railway Company was the pioneer railroad establishing safety first measures, and the results obtained show efficiencies of such measures, as follows: Employes killed, 1920, 62; 1924, 30. Employes injured: 1920, 7,101; 1924, 4,405. Total persons killed: 1920, 196; 1924, 187. Total persons injured: 1920, 8,461; 1924, 7,148. Claims paid therefor: 1920, $2,831,343; 1924,

$1,405,478. This was a saving of over 50 per cent (Tr. 4506-4507).

An organization has been built up to bring about the greatest economies possible in the saving of fuel, with a general fuel inspector in charge, who has subordinates reporting to him. A strenuous campaign is continually being waged and we have developed reductions in the coal [fol. 370] consumption through the education of our enginemen and firemen and employes as to the proper methods of burning coal, thereby securing greater efficiency with the coal consumed than formerly. Fuel consumed per thousand gross ton miles in 1920 was 212.3 pounds; in 1924 was 178.3 pounds. The decreased rate of consumption shows an actual reduction in expense for the year 1924 of $1,230,000 as compared with 1920. That does not take into consideration the increase in the price of the fuel: just the economy in consumption (Tr. 4507-4508).

In the matter of freight claim prevention a general committee and divisional committees have been organized. Stations have been organized with a view to specializing on the prevention of loss and damage to freight, and a strenuous campaign is continually in progress to obtain the co-operation of our employes, and they in turn have secured the close co-operation of the shippers in improving the method of packing, marking, billing and unloading of freight. Further, with the aid of impact recorders we have been able to locate the place and cause of damage, and correct. Fruit and vegetable inspection has been inaugurated at each of our larger points, and this insured protection to this company and our connections against disease of fruit and vegetables, and a proper cooper-ing organization at each of our larger terminals has enabled us to realize a material saving on damaged shipments. Furthermore, frequent inspection of freight trains on route has greatly reduced the loss and damage. Our claims have been reduced from $2,831,343 in 1920 to $1,354,623 in 1924. This is a reduction of over fifty per cent (Tr. 4508).

[fol. 371] In order to show the character of the line over which this southwestern traffic is handled by the North Western System, condensed profiles of the following lines have been prepared and are offered herewith as exhibit A-68. There are eight profiles in this exhibit (Tr. 4509).

The eight profiles were thereupon offered in evidence as exhibit A-68.

(Exhibit A-68 was received in evidence.)

[fol. 372] The first sheet there is Omaha, Nebraska, to Chicago.

The second, Benld, Illinois, and Nelson,—that is with the junction of the main line.

Superior, Nebraska, and Missouri Valley, where it shows the main line.

Green Bay, Wisconsin, via Fond du Lac, to Chicago, and Green Bay, Wisconsin, via Manitowoc, to Milwaukee, Wisconsin.

Des Moines, Iowa, to Ames, Iowa

Sioux City, Iowa, to Omaha, Nebraska.

St. Paul, Minnesota, to Omaha, Nebraska, via the Chicago, St. Paul, Minneapolis & Omaha. I think that should read St. Paul to Sioux City. That ought to read St. Paul, Minnesota, to Sioux City.

These profiles will indicate that the territory traversed by the Chicago and North Western is not a flat country. Heavy grades, ranging from .5 per cent to .8 per cent occur at frequent intervals over the entire line, making the operation of helper service for the most part impractical. If these grades were largely concentrated in one or two locations the pusher or helper could be utilized, thereby greatly increasing the tons per train on the balance of the line. We have included a line from Sioux City to Omaha on the west side of the river, and we have included our line from Omaha to Sioux City on the east side of the river (Tr. 4509-4510).

On the line of the Chicago, St. Paul, Minneapolis & Omaha Railway Company between Omaha and Sioux City there are several grades of over 1.25 per cent both north and southbound; five of which are over a mile in length and one two miles.

[fol. 373] Between Sioux City and St. Paul there are seven grades southbound of over one per cent ond one of 1.25 per cent for 5,600 feet. Northbound there are six one per cent grades between Sioux City and St. Paul (Tr. 4511).

On exhibit A-68 the elevation is on the left margin. The mileage is shown at the bottom. The small figures directly under the grade line of railroad show the number of feet above Lake Michigan. The elevation can be computed in

percentages from the statement, but I have not shown that here (Tr. 4511-4512).

You will notice, for instance, Arcadia Hill grade reduction of four miles from one per cent to .7 per cent, Arcadia Hill is the first big jump out of Omaha. I have indicated that reduction and other reductions by dotted lines or by a statement below or above. The exhibit shows from an engineer's standpoint just what condition is found at each place, so far as possible. From the statements which appear on the profiles, the percentage of the grade can be computed in every instance. They are all on the same basis (4512).

I would like to show for the Omaha Road a little general statement here: The Southwestern traffic of the Omaha Railway, that is, the Chicago, St. Paul, Minneapolis & Omaha Railway, is very largely interchanged at Omaha. This company has shown the same general tendency toward the increase of economy and efficiency in operation as the North Western line proper. The volume of traffic and tons per train between Omaha and St. Paul have shown consistent increases which are due in part to the increased tractive [fol. 374] power of engines, changes in grade and alignment, and increased supervisory effort. During the past few years expenditures for improvement of grade, alignment, etc., on this line between Omaha and St. Paul have amounted to $1,708,068.

[fol. 375] The Omaha Railway has secured most satisfactory results with a minimum capital invested in improvements, but has now reached a point where large capital expenditures are necessary in order to obtain further improvement in operating efficiency. The principal obstacle is the financing of such improvements under present conditions (Tr. 4513-4514).

I have not included in any of the profiles the line of the North Western from Chicago to the Twin Cities. That was omitted because it would not be used in this traffic (Tr. 4514).

I would say that the Omaha and the North Western Companies are now being operated as efficiently and economically as possible under the conditions that exist today and under the traffic that exists and the volume of traffic east-

bound as compared with traffic west-bound. Any increase in the present efficiency and economy would have to come from the expenditure of money from capital account, and that capital account is not available on the part of either company (Tr. 4515).

Cross-examination:

The Chicago and North Western Railway Company is one of the heaviest handlers of transcontinental fresh fruits and vegetables. I would not say that that traffic is very expensive and burdensome to our line. I am not prepared to say that. The handling of that traffic probably takes more care and undoubtedly takes more operating efficiency to prevent claims. It must be handled efficiently and expeditiously. By handling it expeditiously we try to avoid it. I cannot say that the North Western is one of the heaviest live stock handling railroads in the United States. About ten per cent of its traffic would be live stock. That is my own estimate. From my standpoint I would say that the North Western is a very heavy live stock carrier. The [fol. 376] railroad handles packing house products and fresh meat not in as large quantities as I would like to have. This traffic requires fairly expeditious service. We haul into Chicago every Monday morning a great deal of live stock, but we have never let it interfere with our passenger business. It interferes with our freight business to a certain extent. We would not let it interfere to a large extent. There is nothing very grave about this situation. We manage to get not only the live stock and the fruit handled; we also handle our dead freight. We got along with that very nicely and do not have any grave difficulties in handling it (Tr. 4516-4517).

The fresh fruit and vegetable traffic and live stock and packing house products take the most care of any classes of traffic. They are handled in great volume by the Chicago and North Western Railway. I am not prepared to say whether that traffic constitutes any part of the interchange with the southwestern lines. That is, I would not say that we do not handle any southwestern business of a similar class or traffic as live stock and fruits and vegetables. I do not know whether we do or not. The greater part of the

fruit and vegetables handled by the North Western is transcontinental. The greater part of the live stock which we handle does not come from Nebraska, Kansas, Wyoming and the northwest territory. On the contrary it comes from Iowa. None of those territories are southwestern territories (Tr. 4518-4519).

Here Attorney Larimore requested Attorney Towner to furnish a statement in tons of the total traffic through and local handled by the Chicago and North Western Railway during June, 1924, and then separately the amount of such triffic moving to and from the territory in the southwest involved in this proceeding. Attorney Towner said that the southwest traffic was shown in Exhibit "A-49". Attorney [fol. 377] Towner agreed to furnish the statement of total traffic handled during the month of June, 1924, if the North Western had such a statement (Tr. 4519-4520).

The witness (continuing): Our road handles a great amount of grain from Chicago to the Twin Cities and points east from Iowa and Nebraska and that part of the country. Proportionately it has very little grain tonnage to the southwest. It has a great suburban traffic into Chicago. I would not say that it is the largest (Tr. 4520-4521). The separation of freight tracks and passenger tracks in Chicago enables us to handle more efficiently our passenger and freight traffic out of Chicago. We handle dairy products from Wisconsin into the southwest. They move via Chicago because that is more economical and almost the short mileage. That goes through the Proviso yards, a part of the Chicago yards. Some of it would go through the E. J. & E., the Indiana Harbor. I am not prepared to say whether there is a great deal of traffic bound for Texas from Wisconsin points or whether that would go through the Twin Cities. I do not know how much would go by the other route. I do not believe any of it would, but I am not a traffic man and not prepared to say. From my knowledge I would say "No." The short line from Plymouth, Wisconsin, to Texas is through Chicago. Most of the traffic moves that way. I do not know how much traffic from Plymouth would go via Chicago as compared with what would go via Des Moines. It depends on how it was routed (Tr. 4521-4522-4523).

I believe that the North Western has recently received an increase in its suburban passenger fares in the Chicago district. That figure was, roughly, a twenty per cent in-[fol. 378] crease. I do not know the total amount of the increase in dollars and cents per annum. I would not want to go into that matter because I do not know anything about it (Tr. 4523).

The junction points via which the interchange traffic from the southwest moves are Chicago, Omaha, Superior, Benld, and Des Moines. Benld is on the southern line. The branch line points are Benld, Des Moines and Superior. It is 166 miles from Superior to our main line at Omaha. We deliver the traffic at Missouri Valley. I am just talking approximately now. It is 34.8 miles from Des Moines to our main line junction and Benld is 190 miles. That is a heavy density line. We have our company coal business down there. Benld is where we have our mine lines (Tr. 4524).

We interchange traffic all the way down wherever we cross the southwestern roads at the different junction points, Bando or Campo, and so forth. It is very thinly populated territory down there and all we have is just a junction and a side track where we set the cars out to be taken southwest (Tr. 4525).

We have considerable mileage in Nebraska and South Dakota and also in Wyoming.

I would say that the cost per unit of transportation which is straight operating cost is more out there than in the thickly populated territory. Possibly our thickly populated territory would include Iowa, Illinois and Wisconsin. Minnesota is pretty nearly in the branch line territory. South Dakota, Nebraska and Wyoming is approximately what we call branch line territory so far as the North Western is concerned. Illinois and Wisconsin are main line [fol. 379] territory for the North Western as I consider them. The operating conditions, so far as grades, and so forth, are concerned have been burdensome in this territory, more so than in the main line territory. We spend money to cut down the grades on the main line, but not on the branch line because the traffic does not warrant it (Tr. 4525-4526-4527).

I would say that via rail connections we are probably 100 or 120 miles from St. Louis. That is just a guess (Tr. 4527).

We have made a steady and substantial increase in our revenue income in the last two or three months. In October we made a splendid showing compared with the previous months (Tr. 4527).

(Attorney Towner here stated that the witness was not able to talk about these matters and said that he did not want to be put in the position of having an operating man testify as to financial conditions.) (Tr. 4527-4528.)

[fol. 380] E. E. NASH was thereupon recalled as a witness and testified as follows: My name is E. E. Nash and I am chief operating officer of the Minneapolis & St. Louis Railroad. I have worked in the accounting, traffic and operating departments of various railroads for thirty-nine years, and have been with the Minneapolis & St. Louis for five years. I have full charge of the operation on that railroad. The present Minneapolis & St. Louis Railroad consists of a consolidation of the Iowa Central, former Minneapolis & St. Louis Railroad and a portion of the Des Moines Valley Railroad. The lower right hand figure on Exhibit A-69, which is offered in connection with my testimony, is a map showing the location of the railroad (Tr. 4531).

The Exhibit referred to was thereupon offered in evidence as Exhibit A-69.

(Exhibit A-69 was received in evidence.)

[fol. 381] The former Minneapolis & St. Louis Railroad extended from Minneapolis, Minnesota, to Angus, Iowa, via Albert Lea and Fort Dodge, from Minneapolis to Storm Lake, Iowa, and from Minneapolis to Akaska and Leola, South Dakota. The former Iowa Central extended from Albert Lea, Minnesota, to Albia, Iowa, and to Peoria, Illinois, via Oskaloosa, and the branches from Hampton, Iowa, to Algona, Iowa, Marshalltown, Iowa, to Story City, Iowa, Grinnell to Van Cleve, Iowa, and Grinnell to Montezuma, Iowa, and New Sharon to Newton, Iowa. That portion of the former Des Moines Valley Railroad which was taken

over by M. & St. L. is between Des Moines and Ruthven, Iowa. The Minneapolis & St. Louis Railroad also has running rights over the Rock Island between Oskaloosa and Des Moines, Iowa, Illinois Central between Fort Dodge and Tara, Iowa, C. M. & St. P. between Ruthven and Spencer, Northern Pacific between Minneapolis and St. Paul (Tr. 4532).

The consolidation of these various railroads was effected fifteen to twenty years ago. The owned mileage now approximates 1530, and the railroad operates approximately 1630 miles, the same being located in the states of South Dakota, Minnesota, Iowa and Illinois. Each of the railroads forming this consolidation was originally built as a local line for the purpose of handling local traffic only. None of them were built or designed as through lines of railroad between large terminals. The various lines were of light construction but were amply sufficient to serve the needs of the territory, which at that time was sparcely settled. Very little expenditure was made for the purpose of providing low grade lines or to avoid narrow cuts and narrow fills, and at that time timber was so cheap that instead of making fills, many miles of trestles were used. At [fol. 382] that time it was not the common practice to interchange equipment between railroads (Tr. 4532-4533).

With the development of this territory, other neighboring lines have installed heavier rail, ballast, ties, bridges and trestles, and have reduced the grade lines and curvatures so as to permit of the handling of heavier rolling stock and the free interchange of equipment. The Minneapolis & St. Louis has developed from a local railroad serving only the stations on its own line, to a line of through railroad from Minneapolis, Minnesota, to Peoria, Illinois; from Minneapolis, Minnesota, to St. Louis, Missouri, via Albia; from Minneapolis to Omaha via Fort Dodge, and from Minneapolis to Sioux City via Storm Lake, with a great many important junction points between east and west lines, such as Nemo, Illinois, with the Santa Fe; Monmouth, Illinois, with the C. B. & Q.; Albia, Iowa, with the C. B. & Q.; Grinnell, Iowa, with the Rock Island; Marshalltown, Iowa, with the C. & N. W.; Grand Junction, Iowa, with the C. & N. W.; Ackley, Iowa, with the Illinois Central; Albert Lee, Minnesota, with the Illinois Central and the C. M. & St. P.; Waseca, Minnesota, with the C. & N. W.;

Twin Cities with all connecting lines at that point; Des Moines, Iowa, with the various railroads entering there, and numerous other points (Tr. 4533-4534).

The practice has become general to interchange freight from one railroad to another, in which the Minneapolis & St. Louis participates, and it is also the originating line of a large tonnage of agricultural products, live stock and dairy products.

[fol. 383] In this change in the practices of railroading, with the development of the territory, industries, etc., the Minneapolis & St. Louis has been unable to keep pace with its competitors on account of its insufficient resources. Improvements have been made as rapidly as funds were available. The principal tonnage lines are between Minneapolis and Peoria and Minneapolis and Albia and have been strengthened and ballasted; the capacity of the power has been increased as such as is permitted by the size and strength of the bridges; roundhouse and shop facilities have been increased and some of the sidings lengthened. About twenty years ago three important grade reductions and revisions were made. All of these improvements, including the widening of cuts and strengthening of embankments, have been accomplished gradually and only as the limited resources of the company would permit. On the other hand, the condition of the property is such that operating costs are comparatively heavy (Tr. 4534-4535).

All of the figures on Exhibit A-69, except the lower right hand corner of page 1, indicate the grade line on the various parts of the railroad. At this time the only difficulty is in handling tonnage between Minneapolis and Peoria and Minneapolis and Albia. From Peoria to Minneapolis, approximately 500 miles, the total ascending grades are 5,566 feet, and in the reverse direction are 5,216 feet. The maximum tonnage which can be handled with the present power is 2,200 tons per train with the aid of helper engines at four different points westward and five different points eastward. The train haul can only be increased by reducing the grade lines or increasing the capacity of the power, which [fol. 384] latter cannot be done without improving the roundhouse and shop facilities, lengthening the side tracks and strengthening the bridges and structures generally (Tr. 4535).

We have heavy snows in the winter time and high water conditions during the summer. These operating difficulties can be overcome by widening the cuts, raising and strengthening the embankments and in some places relocating the lines. The railroad is intersected by numerous highway crossings at grade, many of them being trunk highways. A few grade separations have been accomplished but only a very limited number. Regardless of our intensified effort to prevent highway crossing accidents, we have a very large number which are a constant drain on our resources and are of no benefit to the property. A further separation of grades at the highway crossings should be preceded by the necessary revisions and relocations of the railroad. (Tr. 4536).

Our shop and roundhouse facilities, while they have been improved somewhat, are not only inadequate but unduly expensive. We have no modern equipment for economical handling of heavy power, such as traveling cranes. Our shop machinery is being improved as funds are available, replacing worn out and obsolete machinery with modern up to date machines, but we still have many machines that should be replaced. Our terminal facilities, while they have been improved to some extent, are yet inadequate for the economical handling of the business. This railroad has not as yet made any installation of block signals or any other modern improvements of this nature. We are gradually replacing our old and out of date train order signals with modern, double-arm semaphores. (Tr. 4536-4537.)

[fol. 385] Our telegraph system has not been improved during the past twenty-five or thirty years. We are still using the telegraph for train dispatching, and on the line between Minneapolis and Peoria our wire facilities are inadequate for the prompt and efficient handling of trains. Between Oskaloosa, Iowa, and Peoria, Illinois, 190 cities, there are only two wires, one of which is used by the Western Union Telegraph Company. The Western Union, several years ago, served notice of their desire to sell to the railroad company the telegraph system or to dismantle it. This matter is still pending and must continue so until funds are made available for the purchase of the property, which will then have to be rehabilitated. (Tr. 4537.)

Notwithstanding this situation, however, a constant endeavor is being made to increase the efficiency of operation and reduce costs and very favorable results have been accomplished along this line. In 1924 as compared with 1923, we burned 35,000 less tons of coal with about the same amount of tonnage. This saving resulted from the improved condition of the locomotives and efficiency of the men. Over the last five years we have reduced our cost of fuel approximately 50 cents per thousand ton miles and we are constantly striving to improve that showing. In 1920, we were able to handle 962 gross tons per train. That has been improved each year until in 1924 we were able to handle 1058 gross tons per train without added power. In 1920, we spent $364,000 in freight claims and in 1924, $98,000. In 1920, we spent approximately $350,000 for personal injuries, and in 1924 reduced this to $118,000. (Tr. 4537-4538.)

[fol. 386] In the first six months of 1925, we increased our train speed from 11.7 miles per hour to 12.1; our gross tons per train from 1006 to 1048 gross tons per train; gross ton miles per train hour from 11,788 to 12,676; pounds of coal per locomotive mile was reduced from 236.5 to 234.1; pounds of coal per thousand gross ton miles was reduced from 261.8 to 241; and during the same period, our traffic density in gross ton miles per mile of road per day increased from 4564 to 4730.

These are representative of the things that we are trying to do in the matter of reducing operating expense and increasing the efficiency of the property.

While we are still concentrating our efforts to further reductions in the cost of operation and increasing our efficiency, it is quite obvious that there is a limit to what may be accomplished along this line. The outstanding difficulties in reducing the expense of operation are the unfavorable grade line and the general inadequacy of the facilities. It will not be possible to overcome this handicap until and unless funds are provided to reduce the grade lines and to increase the facilities sufficiently to permit of the economical handling of tonnage between the terminals. (Tr. 4538-4539.)

The Minneapolis and St. Louis is now, and has been, since July, 1923, operated by a receiver. The road is doing

the best it can with what it has, but any further improvement along the line I have indicated will have to come from the expenditure of additional money, and that money is not available. (Tr. 4539.)

[fol. 387] Referring to Exhibit A-69, and taking the first page as an example, the profile between Albert Lea and Oskaloosa, the figures on the left hand margin indicate the elevation above sea level. The figures immediately below the grade line of the railroad indicate the ascent and descent in feet per mile. The scale is shown in the case of each profile. The profiles do not show the grades in percentages. Those can be figured by the use of the scale and the information shown on the Exhibit. (Tr. 4539-4540.)

The grade is one inch per forty miles horizontal and 200 feet to the inch vertical. That is referring to the one at the top, in the upper left hand corner of the first sheet of Exhibit A-69. There is a little difference in each profile. They are very close and are on a very comparative basis. (Tr. 4540-4541.)

For the most part the line might be termed a rolling line, up and down. There are some compensating grades. At the five places where we use helpers service between Minneapolis and Peoria the grade is around 1.2 per cent. The use of helpers could be avoided either by the elimination of the grade line, or rather, the reduction of the grade line, or by the use of heavier power. As to the use of heavier power in this territory by other lines I can only answer from my general knowledge of the situation. The grades on the Minneapolis and St. Louis are choppy, while on the other lines they are usually condensed to some particular district. Now, most all of the lines in the northwest, I think, use helper engines at some places in their territory, but their grade lines are usually reduced to some particular territory, while on the Minneapolis & St. Louis, you will see by referring to the profiles that it is quite continuous over the whole line. (Tr. 4541-4542.)

[fol. 388] The power on our line is comparatively—considerably—less than on other lines in the same territory. If that power were increased to the tractive effort of the other lines in the same general territory, our operation would be materially bettered, but in order to do that we would have to increase the weight of our rail, our ties, our

ballast and our roundhouses and several other things to bring up the railroad to that power. (Tr. 4542-4543.)

Our mileage is 1530 miles approximately owned and 1630 operated. I do not have the figures for our mileage in South Dakota, but will obtain them. (Tr. 4543.)

I cannot give the ratio of transportation expenses to revenues last year, because I do not have it with me. It was somewhere around 40. That is one of the tests that operating men recognize as determining the efficiency of a railroad. It has quite a bearing in our territory. The increase or decrease of maintenance expenses are in the way of our control and still they are not, because we have to keep up our railroad to a certain standard. Comparing them with the transportation expenses they are to a very large extent within the control of the management, but taking the case of the Minneapolis and St. Louis Railroad, I think that because of the lack of maintenance in years gone by, that in order to keep the railroad in a safe and proper condition, we have got to spend about so much on the railroad. We cannot say that we will not spend a dollar on maintenance and that that would be within the control of the railroad. What I would consider within the control of the railroad would be to maintain it in a proper and safe condition and in order to do that on the Minneapolis & St. Louis, because of lack of funds in years gone by, it is hardly within the control of the management, as you would take a dollar and split it in two and give 50 cents to somebody and 50 cents to somebody else; I would hardly say that with regard [fol. 389] to the Minneapolis & St. Louis. The expenses for transportation are largely fixed by the rates of wages and cost of fuel and things of that kind. (Tr. 4544-4545.)

If a railroad within the course of three or four years reduces its ratio of transportation expense to revenue from 44 or 40 per cent to 30 per cent, it shows very good working indeed. I would assume of course that the latter is arrived at by the same formula. The formula is fixed by the Interstate Commerce Commission and the carriers have nothing to do with that (Tr. 4545-4546).

Here the following colloquy occurred:

Mr. Towner: I might say for your benefit, Mr. Roberts, that if you would look at those exhibits of Mr. Parsons you

would find all of those figures you have been asking the witness for, for all of the railroads.

Mr. Roberts: I merely wanted to get an admission from an operating man that that was one of the best tests to determine the efficiency of a railroad.

The Witness: I answered your question by saying yes (Tr. 4546).

The Witness (continuing): The mileage of the Minneapolis and St. Louis in South Dakota is approximately 270.43 miles. The western terminus of the road is Akaska, South Dakota, on one line and Leola on the other line. On the left hand chart on page three of Exhibit A-69 is shown a maximum grade west bound of about half of one per cent. From Leola to Watertown the grades are shown in the upper right hand chart. In that territory from Conde to the top of the hill is a grade of 53 feet to the mile, a little better than one per cent. That is eastbound. From Morton to Watertown is a westbound grade of about one per cent, [fol. 390] a little better than one per cent. We have many grades on the balance of our line comparable with those. Between St. Paul and Morton we find 64 feet per mile. This is for a distance of about five miles. Right out of Peoria is a grade a little better than two per cent. That is about three miles long. Then you keep on going west till you get over from London Mills. From London Mills to near Abingdon is 53 again and you can follow that thing all the way. Those are not comparatively short distances (4549). The last grade mentioned is for a distance of about six or seven miles. I said that the Minneapolis and St. Louis had choppy grades, but that does not necessarily mean for short distances. The grade line all the way through is up and down, irregular (Tr. 4546-4547-4548-4549).

Our railroad has been in receivership before, or so I am told. I do not know that of my own personal knowledge. The traffic density in South Dakota is considerably less than on the balance of our line (Tr. 4550).

It costs more per unit to operate in South Dakota than on the balance of our line, because of the density of traffic out there and the necessity for operating certain forces. The density of traffic does materially affect our operating cost. The investment is not nearly as much in South Dakota, though, (Tr. 4550-4551).

Referring to the grade just out of Peoria which is better than two per cent for about two miles on the profile in the Exhibit the up and down is not shown at all. The grades are merely the maximum grades in the district, but that piece of track from Peoria to the top of the hill is right up all the way. It is not all two per cent, but it is a very heavy grade all the way up there (Tr. 4551).

[fol. 391] WILLIAM ATWILL was thereupon called as a witness and testified as follows:

Direct examination:

I am general superintendent of the northern lines of the Illinois Central, and located at Chicago. I have been employed by the Illinois Central for twenty-five years in the operating department, as follows: Train dispatcher, chief train dispatcher, train master, division superintendent and general superintendent. The Illinois Central Railroad Company has been doing everything possible to bring about decreased operation, as will be seen by the figures following:

We have increased the average tractive force per engine from 21,597 in 1903 to 39,168 in 1924, an increase of 81.4 per cent. We have increased our gross train load on the system from 705 tons in 1902 to 1722 tons in 1924, an increase of 144.2 per cent, and have increased the gross tons per train in the direction of heavy traffic from 791 tons in 1902 to 1,963 tons in 1924, or 148.2 per cent, and have increased our net tons per train from 219 tons in 1900 to 673 tons in 1924, an increase of 207.3 per cent. Since 1915 we have expended $3,461,233.28 in improvements to locomotives designed to increase the train load and reduce fuel consumption by applying super-heaters, valve gears, thermic syphons, etc., and in the last four years have purchased and put into operation a large number of modern and large size locomotives (Tr. 4552-4553).

Our company has also been active in reducing operating costs in the reduction of claims. Freight claims for the year 1924 decreased 48.1 per cent over the year 1920. Reduction of claim payments to revenue in 1924 was .94 per cent compared with 1.90 per cent in 1920, and for nine

[fol. 392] months of 1925, .86 per cent. Exception reports decreased 73 per cent in 1924 compared with 1920. Station operation expense decreased 31.5 per cent in 1924 compared with 1920. Claims and loss payment decrease- 85 per cent — 1924 compared with 1920. Locomotive maintenance for the past four years is shown below: Nine months 1925 cost per mile 22.51 cents and per locomotive owned $4,782. Nine months 1924 cost per mile 24.96 cents and per locomotive owned $5,287.61. For the year 1924, cost per mile 24.63 cents and per locomotive owned $7,102.28. For the year 1923, cost per mile 26.53 cents, per locomotive owned, $8,605.22. For the year 1922, cost per mile 23.60 cents, and per locomotive owned $5,629. This was the strike period. For the year 1921, cost per mile 27.88 cents, and per locomotive owned $7,629.36. For the year 1920, cost per mile 26.01 cents and per locomotive owned $8,101.12. Repairs to freight train cars per car mile as follows: 1924, $0.01074; 1923, $0.01231; 1922, $0.01286; 1921, $0.01676; 1920, $0.02011. Repairs to passenger train cars per mile as follows: 1924, $0.02393; 1923, $0.02437; 1922, $0.02026; 1921, $0.02477; 1920, $0.02692. Following fuel consumption for 1,000 gross ton miles: 1924, 155 pounds; 1923, 166 pounds; 1922, 164 pounds. Out operating and non-operating expenses for the years 1921 to 1924, showing the cost to handle one gross ton one mile as follows: 1921, $0.00369; 1922, $0.00334; 1923, $0.00327; 1924, $0.00320. Our cost to handle one net ton one mile is shown below: 1921, $0.00822; 1922, $0,00730; 1923, $0.00719; 1924, $0.00737 (Tr. 4553-4554-4555).

Exhibit A-70 consists of profiles in booklet form covering the line of the Illinois Central between Council Bluffs and Chicago (Tr. 4555).

(Exhibit A-70 was received in evidence.)

[fol. 393] On this district between Tara and Waterloo, 106 miles, the line was constructed in the early days when the density of traffic did not warrant investment necessary to avoid excessive grades and curvature. While some progress has been made toward reducing grades and eliminating curvature on the east end of this section no substantial improvement has been made and the train load is still restricted by pusher grades in each direction from Fort

Dodge, ranging from ¾ to 1½ per cent with curvature of from 1½ to 5 degrees, also one per cent grades between the pusher grade and where the grades were improved from ten to fifteen miles west of Waterloo.

Between Waterloo and Freeport, 162 miles, the line was also constructed in accordance with early day practice and as yet no improvement has been made in grades and curvature. On this section the grades are more or less continuous and range from 1 to 1½ per cent with excessive curvature running as high as 11 degrees.

Between Freeport and Chicago, 114 miles, the line was constructed in accordance with more modern practice with maximum grades of .5 per cent and curvature up to 4 degrees. On the Chicago terminal end of this section we have made substantial capital expenditures for such roadway items as track elevation and depression, including the elevation of Hawthorne yard, separation of grades, etc., all of which may be classed as unproductive improvements (Tr. 4556).

Between Council Bluffs and Hawthorne,—Chicago outer yard,—we have a raise in grade of 4,581 feet eastward and 4,971 westward, and 9,343 degrees of curvature, equal to describing 26 complete circles. A degree of curvature [fol. 394] equals 2.1 feet grade per mile. From 1900 to 1924 capital expenditures on the line between Chicago and Council Bluffs amounted to some $13,750,000. With the exception of a short piece of grade reduction work on the east end of the Tara-Waterloo section. 10 to 15 miles west of Waterloo, costing $545,866,—this expenditure was mostly for unproductive improvements on the Chicago end, together with separation and protection of grade crossings, interlooking plants, block signals, and other safety measures, pretty well distributed over this part of the line. For the past two years we have been carrying on extensive improvements on our Chicago terminal in which our western lines participate. The program involving the expenditure of some $86,772,000 not including passenger station facilities estimated to cost between $21.000,000 and $22,000,000 depending on size and use to be made of such station facilities, which improvements will be completed about 1934. The expense of maintenance on our western lines exceeds the average. On the 131 mile section between Council

Bluffs and Tara, we have, since its construction encountered excessive maintenance costs for slides and protection of embankment, including extensive Missouri River protection at Council Bluffs (Tr. 4557-4558).

On the 105 mile section between Tara and Waterloo, while the train service costs are excessively high, the maintenance of way expense is more nearly normal. On the 162 mile section between Waterloo and Freeport, the expense of maintenance is excessively high. On the 50 miles between Posta, west of Dubuque, and Soales Mound, east of Dubuque, 12.6 miles of which is double track, because of the excessive curvature and grades, the expense of renewing rail, frogs, switches, ties, and other track material is three times the average. Within this territory the road crosses two streams 29 times, also crosses the Mississippi River, [fol. 395] over which we have a drawbridge at Dubuque, and another drawbridge over the Galena River at Galena, Illinois. Such items of expense as ditching and embanking, removal of grass, weeds, etc., are excessively high because of the necessity of performing the work by hand. There is a corresponding increase for labor. In addition to the excessive cost for maintenance of way, because of the excessive grades and curvatures, our expense for maintenance of locomotives is substantially above the average. It is necessary to treat locomotive boiler water on the entire territory between Council Bluffs and Chicago (Tr. 4558).

Exhibit A-71 is a condensed profile in booklet form showing the grade line and curvature of our line between East St. Louis and Chicago (Tr. 4559).

(Exhibit A-71 was received in evidence.)

[fol. 396] We have our own line into St. Louis. We run our trains into St. Louis over the tracks of another railroad of which we are a part owner (Tr. 4559).

The ruling grades with proper allowances for uncompensated curvature, expressed in feet per mile on this territory, are as follows: In direction of light traffic southward: Chicago to Gilman, 81 miles, 26 feet per mile. Gilman to Clinton, 67 miles, 54 feet per mile. Clinton to East St. Louis, 142 miles, 40 feet per mile. In direction of heavy traffic, northward: East St. Louis to Springfield, 97 miles, 46 feet per mile, for a distance of 3½ miles. Springfield to

Clinton, 45 miles, 26 feet per mile. Clinton to Gilman, 67 miles, 21 feet per mile. Gilman to Chicago, 81 miles, 16 feet per mile. East St. Louis to Chicago we have a raise in grade of 1,795 feet and fall of 1,674 feet northward and a total of 1,893 degrees curvature equal to describing 5.26 circles. Chicago to East St. Louis we have a raise in grade of 1,674 feet and fall of 1,795 feet southward, and a total of 1,888 degrees curvature equal to describing 5.24 circles (Tr. 4559-4560).

Our principal capital expenditures made on this line to reduce cost of operation since 1900 are as follows: Grade reductions, $1,061,590.12. Second and third main tracks, $1,594,390.65. New Yard at East St. Louis, Springfield to Clinton, $2,104,063.96. Block signals, $756,823.38. Double track signals, Otto to Gilman, $425,582.03. The approximate expenditures in the Chicago terminal improvement plan in which this East St. Louis-Chicago line also participates has already been stated (Tr. 4560).

During the month of September, 1925, a favorable operating month, dispatch freight trains handled East St. Louis [fol. 397] to Chicago, in the direction of heavy traffic, an average of 2,324 gross tons or 53.8 per cent of the locomotive rating. In the direction of light traffic Chicago to East St. Louis 1,650 tons, or 47.2 per cent of locomotive rating (Tr. 4560-4561).

Exhibit A-72 is a condensed profile in booklet form, showing the grade line and curvature between Clinton and Wallace Yards, Freeport (Tr. 4561).

(Exhibit A-72 was received in evidence.)

[fol. 398] We operate our trains from Clinton to Amboy, a distance of 115 miles, as a sub-terminal, and operate turnarounds between Wallace Yards, Freeport, and Amboy, a distance of 49 miles. We have some very unfavorable grades to contend with, as follows: In direction of light traffic, Freeport to Clinton, with a proper allowance for uncompensated curvature expressed in feet per mile, the ruling grades are as follows: Wallace Yard to Clinton, 164 miles, maximum grade 52 feet. Clinton to Mendota, 98 miles, maximum grade 42 feet at Normal with a helper over a 4½ mile grade at LaSalle, 52 foot grade. Mendota to

Amboy, 16 miles, maximum grade 43 feet. Dixon to Woosong, 50 miles, maximum grade 43 feet. Clinton to Wallace Yards, Freeport, we have a raise in grade of 1,793 feet and a fall of 1,728 feet northward, and a total of 1,384 degrees curvature equal to describing 3.85 circles. Wallace Yards, Freeport to Clinton, we have a raise in grade of 1,726 feet and a fall of 1,793 feet and a total of 1,384 degrees curvature equal to describing 3.85 circles (Tr. 4561-4562).

Our gross train load, in direction of heavy traffic on this line, Clinton to Wallace Yards, Freeport, for the year 1924, was 2,418 tons or 71.3 per cent of locomotive rating but few dispatch trains are run on this district. Following are the principal items of expenditures for various facilities on the Amboy district, Clinton to Wallace Yards, Freeport, from the year 1900 to date: Grade reduction, none. Passing tracks, $302,420. Second main tracks, $472,368. Yew Yard tracks, $355,136. Block signals and interlockers, $55,086. Miscellaneous, detailed below, $1,911,898. Total, $3,086,708. Miscellaneous expenditures: Freight house facilities, $233,-149. Water tanks, treating plants, etc., $291,288. Sidings, [fol. 399] crossover "Y" tracks, etc., $25,668. Mechanical facilities, $1,081,886. Telegraph and telephone lines, $19,-576. Roadway buildings, $41,677. Subways, crossings, etc., $187,322. Coaling stations, $31,332. Total, $1,911,898 (Tr. 4562-4563).

The Illinois Central has a line which extends due south through the Mississippi Valley to New Orleans and in addition to that other lines which lie in the territory roughly described as being north of St. Louis and west of Chicago. Our heavy traffic line is that to New Orleans. That is much heavier than what I described as being our western line—very much so. The western line is the line to Omaha, from Chicago to Omaha. The southern lines to New Orleans are also much heavier traffic lines than this old main line of the Freeport. When I speak of the increased cost of maintenance and operation over our western lines I refer to the relation between the cost of maintaining and operating that line and the cost of maintaining the balance of the Illinois Central system lines. I believe that at the present time the Illinois Central is being operated as economically and as efficiently as possible. (Tr. 4563-4564.)

The improvements in Chicago to which I have referred, such as elevation of tracks, I consider unproductive. We do not figure that there is any return to speak of from that investment. We do not think that it would interfere greatly if all of our tracks were operated at grade. If they were we could manage to get along. There would be some interference, but not any considerable interference. Naturally we would take a greater chance of accidents. It is difficult to say to what extent. I think that if we were running over the streets in Chicago the interference would be with the traffic on the highways mostly. It does cost something sometimes by way of accidents. Of course we would have [fol. 400] to pay for putting up gates and paying the salaries of the watchmen, but it is a great expense to elevate these tracks. The interest on the money would pay for a whole lot of crossing flagmen. We recognize that separation of grades is coming in the big cities and that is why we have been doing it for years. The fact still remains that those larger expenditures are not always productive. I think that as a dollars and cents proposition we could operate in Chicago at grade for less money than it requires in this expenditure for elevation. (Tr. 4564-4565-4566-4567-4568.)

The profiles which I introduced show our line from Chicago to Omaha, Freeport to Clinton, Illinois, and Chicago to East St. Louis. (Tr. 4568.)

The following is quoted verbatim from the transcript of the testimony:

Q. You handle a great volume of this traffic that is involved in this case of your main line from New Orleans to Chicago, the profiles of which are not shown?

A. Yes.

Q. That would be in Illinois from——

A. We handle the business south of Gilman, Illinois, a large volume of it——

Q. Sir?

A. (Continuing) —a large volume of business south of Gilman, Illinois, that we have on the profile here, that shows that territory, if that is what you mean.

Q. But a great part of that business is handled over those lines south of Gilman?

A. We do handle a big business south of Gilman, yes. (Tr. 4568-4569.)

[fol. 401] We think we have a pretty good railroad. That particular piece of the Illinois Central south of Gilman is a good railroad. We would not call the line from St. Louis to Chicago a low grade line. We have some grades between Chicago and East St. Louis that are not low. They are steep grades. They are somewhat continuous all the way from Gilman to East St. Louis. We have some grades nearer East St. Louis that are steeper than five-tenths of one per cent. Those are short, it is true, but they affect the train load. We have steeper grades in the line from Chicago to Council Bluffs than in the line from Chicago to East St. Louis. I have no idea as to the volume of traffic interchanged with the southwestern lines involved in this case that is handled over the line from Chicago to Council Bluffs. (Tr. 4569-4570.)

By Mr. Outlaw:

Q. An exhibit formerly introduced in this case shows that 43 cars out of 3,000 cars interchanged with southwestern lines were handled over that line between Chicago and Omaha. That in a very small proportion of the traffic, is it not?

Mr. Towner: Yes, I will agree with you on that.

By Mr. Outlaw:

Q. That exhibit I referred to is A-42 (Tr. 4570).

The witness (continuing) —In the line near East St. Louis we have some grades 40 feet to the mile for about six miles. The grade starts in with a smaller ascent per mile and keeps on increasing until it reaches 40. Forty is near the summit and that is what governs. We do not use helper service because we figure that would be more expensive than it is to decrease the train load and take over the hill what one engine can haul (Tr. 4570-4571).

At certain seasons of the year one of our commodities from Council Bluffs east is grain traffic. There is some of that which goes export, moves to Freeport and south from Freeport to Clinton. It does not come to Chicago and then [fol. 402] go south. Sometimes we do not haul it to New Orleans. Sometimes the barge line gets it (Tr. 4571-4572).

Redirect examination;

We operate 482 suburban trains on our Chicago lines. On our south Chicago branch we handle about 240 of these trains per day. That is high speed operation and all at grade. One of the principal improvements which we are making at Chicago is the electrification of our present terminals, but there are a lot of other things go along with it, such as elevation depression. Electrification of the new station as required by the city of Chicago will require a large amount of the eighty million dollars I referred to—the major part of it. We do not think we will get that additional return from that investment. We have to raise the money to do this. The money has to be borrowed and interest has to be paid on it. That is one of the penalties of doing business in a big city like Chicago (Tr. 4572-4573-4574).

W. H. PENRITH was thereupon called as a witness and testified further as follows:

My name is W. H. Penrith and I am general superintendent of the Chicago & Alton Railroad. I have now been with the road for nearly twelve years and have been general superintendent for nearly six years. I am entirely familiar with the operation of the Chicago & Alton Railroad.

The Alton Railroad between Kansas City and Chicago, a distance of 485.2 miles, has 251 miles of single track between Kansas City and Roodhouse and 110.6 miles between Roodhouse and Bloomington via the Jacksonville Line. The line Bloomington to Chicago is double tracked.

The line between Kansas City and Roodhouse is an ex-
[fol. 403] pensive and difficult piece of road to operate and when constructed very little attention was paid to the avoidance of curves and the elimination of grades. It is a series of curves and grades with a 1 per cent maximum grade line. The total curvature on this line is 7067 degrees, or the equivalent of 19.6 complete circles. Eastbound from Kansas City the total of the upgrades equals a rise of 3490 feet and westbound from Roodhouse there is a total rise of 3593 feet. The grades are so frequent that it is not practicable to increase the train load by means of helper service and in order to handle a train of fifty loads, it is necessary to use

two large Mikado type engines. If the rise was more continuous the cost of operation could be somewhat lessened for the reason that helper engines could be maintained and considerable engine mileage saved as instead of running the additional engine from the top of one hill to the foot of the next hill the additional engine mileage would be utilized only where needed (Tr. 4574-4575).

Prior to December, 1924, under our schedule with the trainmen we were not allowed to double head trains without paying a penalty of double compensation to the train crew. During the month of December, 1924, in conference with the trainmen, our agreement was changed so that now we double head all of the way between Kansas City and Roodhouse. Prior to the inauguration of the double heading our maximum train load was 30 to 31 cars. The only way the Alton can get the maximum, or anywhere near the maximum of train load is a double head between Kansas City and Roodhouse. Between Roodhouse and Bloomington, via the Jacksonville Line, the curvature is 1042 degrees and the upgrade in one direction is 1015 feet and in the other 889 feet. The total curvature between Bloomington, Illinois, and Kansas City, Missouri, via the Jacksonville line [fol. 404] and Roodhouse, being 8,109 degrees and the total upgrade eastbound between Kansas City and Bloomington is 4505 feet and westbound 4482 feet. The line between Chicago and East St. Louis, Illinois, a distance of 280.8 miles, is double tracked, with the exception of about nine miles between Rinaker and Plainview, which is a single track. The total curvature on this line is 2171 degrees and the upgrade southbound equals a rise of 1519 feet and northbound of 1691 feet. On this line we have three bad grades, which makes it necessary to maintain helper engines at Wann, Illinois, Rinaker, Illinois, and Lawndale, Illinois, in order to handle up these grades the maximum train load that can be handled with one engine over the balance of the railroad. If these bad grades could be eliminated and the railroad between Rinaker and Plainview double tracked, the cost of operation would be considerably decreased, but the funds for doing this work are not available (Tr. 4575-4576-4577).

The Chicago & Alton Railroad, particularly between Chicago and East St. Louis, operates through densely populated communities, which means heavy expense in the way

of maintaining street crossings through the many towns and cities, also crossing flagmen, crossing gates, mechanical warning signals, etc. We have on the railroad over 3,000 switches and turnouts to maintain and we have 41 interlocking plants, operated exclusively by the railroad company; this means heavy maintenance expense.

During the past ten years the Alton Railroad, between Kansas City and Chicago and between East St. Louis and Chicago, has been reballasted with stone and gravel; 90 and 100 pound rail has been substituted for 80 pound rail, bridges have been strengtened, passing tracks lengthened to accom-odate the longer trains made possible by improved roadbed and track, heavier locomotives have been [fol. 405] purchased, but because of the very heavy expense involved in reducing grade lines very little of this latter work has been accomplished. Between Kansas City and Roodhouse there are three large steel bridges, one over the Missouri River at Glasgow, one over the Mississippi River at Louisiana and one over the Illinois River at Pearl, these bridges total 5,658 feet in length and consist of 8,108 tons of steel. The expense of maintenance of these bridges is considerable (Tr. 4577).

During the year of 1924 approximately $200,000 was spent in an effort to keep the Missouri River within its banks and from cutting across country making a new channel which would have made the present bridge over the Missouri River at Glasgow useless, for if the company had not been successful in stopping the river from changing its channel this bridge would have been left out on an island and the river diverted from it. This is a condition that will always confront us as during the past thirty years large sums of money have been spent in keeping the river from cutting the railroad in two at this point.

From 1910 to 1925 the average tractive power of our locomotives has been increased from 29,718 pounds in 1910 to 35,998 pounds in 1925, or approximately 21 per cent. We have for a number of years been conducting active campaigns in the conservation of fuel, reducing the hazards of accidents and reduction in all classes of claims. During the part ten years we have reduced our fuel consumption from 234 pounds to 163 pounds per thousand gross ton miles

handled. This has been accomplished through improved methods, such as super-heating locomotives, applying automatic fire doors, installing brich arches, modern methods of water treatment, etc.

[fol. 406] During the past fifteen years we have reduced the ratio of our freight claim damage to freight revenue from 1.31 per cent in 1909 to .43 per cent in 1924. Through the purchase of larger locomotives and the reduction of grades during the past ten years we have increased our train load approximately 20 per cent. We have spent on improvements in roadway and equipment during the past ten years $22,817,437.47, or an average of $2,281,743 per year. On the Alton Railroad every effort is being made constantly to produce operating economy and efficiency and we have gotten to the point where any further steps in the direction of economy and efficiency must come as the result of extensive capital expenditures. The Alton is now being operated by receivers and has been since August, 1922, and no money is now available for the purpose of making such capital expenditures (Tr. 4578-4579).

Attorney Towner thereupon offered in evidence the said profiles of the Chicago and Alton as Exhibit No. A-73 (Tr. 4579).

(Exhibit A-73 was received in evidence.)

[fol. 407] The profiles, Exhibit A-73, cover all of the lines of the Alton Railroad. The first page shows the main line from Chicago to Bloomington. The figures on the left hand margin are the elevation. The figures above and below the grade line of the railroad are the rise and fall in feet per mile. The figures across the bottom are the mileages. You will notice the scale. I do not show the grades in percentages. Those can be computed from the information that is shown on the profile. That is true of all the profiles included in the Exhibit (Tr. 4579-4580).

Cross-examination:

The line of the Alton between Chicago and St. Louis is a very much better line than the line between Roodhouse and Kansas City so far as grades and curvature is concerned. With the exception of some one or more sharp

grades the Chicago-St. Louis line is for the most part a little better than .5 of one per cent. That is a very good grade line. The expenditures for improvements that I have testified about have nearly all been made over the entire line. The line between Chicago and St. Louis has been favored as to the reduction of grades but not to maintenance of roadbed and track. I do not believe that I testified that we had such a good railroad in one case and a bad railroad in the other case. The line between Chicago and St. Louis is an easier operating railroad than the line from Roodhouse west due to the fact that it has less curvature and less grade. We have not spent more money per mile of track on the Chicago-St. Louis line for the reason that practically an equal amount of money has been spent on the entire railroad in substituting gravel and stone ballasts for cinders and heavy rail for light rail. We have a great deal better operating line between Chicago and St. Louis so far as the grades and curvatures are concerned. The line from Chicago to St. Louis is double tracked with the except-
[fol. 408] tion of nine miles. Double track aids greatly in the operation of our railroad, makes it superior operation (Tr. 4581-4582-4583).

Referring to Exhibit A-73, the figures on the top of the grade line and the bottom of the grade line show the rise and fall in feet. The figures both on the top and bottom of the page refer to elevation above sea level in actual feet (Tr. 4583).

Here Attorney Towner upon request by Attorney Roberts agreed to furnish any additional specific information with reference to matters dealt with on the profile which would require computing the ruling grade and so forth, this information to be supplied to an engineer who would be sent to the Western trunk lines by Mr. Roberts (Tr. 4584-4585).

O. N. HARSTAD was thereupon called as a witness and testified as follows:

Direct examination:

I am general manager of the Chicago, Milwaukee & St. Paul Railroad. I have been in the operating department

of that railroad for 25 years and have jurisdiction at the present time over the lines east, that is, the territory this side of Mobridge, South Dakota (Tr. 4586).

Covering a period of 1905 to 1924, inclusive, the Chicago, Milwaukee & St. Paul have spent in grade revisions, double track, separation of highway crossings, automatic signals, interlocking plants, about $24,300,000, in the territory between Council Bluffs and the outer yards, Bensenville, at Chicago. Approximately $23,400,000 of that amount was spent in crossing the state of Iowa, resulting in the better grade lines as shown on our profile. We have, as I believe other railroads have, accomplished many things to bring down the cost of operating our railroad. In 1920 all [fol. 409] of the railroads were obliged to pay their train, engine and yardmen time and a half after eight hours. We have succeeded in reducing our train overtime approximately 16 per cent and our yard overtime approximately 50 per cent in that period.

We have, as others have, put on a campaign to reduce the amount of coal consumed per thousand gross ton miles, and in the past four years that has been reduced 8.5 per cent, resulting in the comparison with 1923 and 1924 of saving of $415,500 because of the leaser fuel consumed per thousand gross ton miles. We have a campaign to bring about better efficiencies in our locomotive performance. In 1914, using the same basis for engine failures as is in effect now, we had 4,594 engine failures. Our mileage between failures was 12,245 miles. In 1918 we had 7,506 engine failures. Our mileage between failures had been reduced to 7,000. In 1924 our engine failures had been reduced to 858 and the mileage between failures had been increased to 60,500 miles.

We have, as others are doing, campaigned to lessen the number of derailments on our railroad from all causes. In 1918 we had 424 derailments. The miles per accident was 56,269. In 1924 we had 285 accidents. The miles per accident had increased 101,184 miles. We feel that the campaign to bring about a better condition of locomotives is reflected in the statement that in 1918 we owned 1,989 locomotives. 372 of them or 13.7 per cent were unserviceable. In 1924 we owned 2,194 locomotives; 121 of them were unserviceable or 5.5 per cent. That is further reflected by the power conditions. In 1920 7½ per cent of our power was waiting shops. In 1924 1.8 per cent was waiting shops.

A campaign to reduce engine hour expenses has resulted in this comparison: In 1920 our total engine house charges [fol. 410] were $6,380,000. The cost per locomotive mile was 11.2 cents. In 1924, $3,981,900. The cost per locomotive mile was 7.7 cents. One other comparison, of engines ordered out of service by government inspection: In 1918, 96 engines or 5.09 per cent were ordered out of service because of defects discovered by government inspectors. In 1924, nine engines, .42 per cent, were ordered out of service. In 1919, 1,588 engines were inspected; in 1924, 1,721.

We have succeeded in building up our train load. This statement deals in net tons which were available from the annual reports. In 1901 we handled 262 net tons per train. In 1914, 454. In 1924, 680. The cost of handling coal delivered to locomotives has been reduced. In 1918 it cost us 16.4 cents per ton to deliver coal to the locomotives. In 1924, 13.23 cents per ton. The figures include labor and power costs.

Our personal injury campaign is a very important one on the railroad, as on other railroads. Our figures show that in 1918 we killed 190 and injured 5,216. In 1923—the figures were not complete for 1924—the killed were 176; the injuries were 3,813. That statement includes employes and others, as reported to the Commission. We have had a good many increases in pay to those employed in handling less than carload freight. Notwithstanding the increases in wages, our cost to handle a ton of freight, l. c. l. freight in the freight houses in 1918 was 56.31 cents; in 1924 it was 47.89.

Our loss and damage campaign has resulted in a very material reduction. In 1917 our gross freight revenue was $79,957,000. There was paid in claims that year $1,552,300; a ratio of 1.94. In 1918 gross revenue was $106,018,000. Freight claims $3,354,000. Ratio 3.16. In 1924 the gross was $123,152,300. Freight claims paid $1,180,995. Ratio, .95 per cent (Tr. 4586-4587-4588-4589-4590).

[fol. 411] The Milwaukee has very extensive terminals in Chicago. It has made capital expenditures in the last few years of approximately $10,000,000 as the result of track elevation and things of that sort. Those track elevations are required under ordinances of the city (Tr. 4590).

I am generally familiar with the operation over the entire lines east of the Milwaukee. My experience has been confined to the lines east. They are being operated as economically and efficiently as we know how to do it. The Milwaukee is now being operated by receivers. It has been for the last six or eight months—since March 1925—March 1, I think. Any further improvements along the line of economy and efficiency of operation would have to come as a result of capital expenditure and the money is not available now. I have prepared profiles of the principal lines of the Milwaukee Railroad in my territory (Tr. 4590-4591).

Attorney Towner thereupon offered as Exhibit A-74 the profiles of the Milwaukee line from Chicago to Minnesota Transfer (Tr. 4591).

(Exhibit A-74 was received in evidence.)

[fol. 412] Attorney Towner next offered in evidence the profile of the Chicago, Milwaukee & St. Paul Railroad from Chicago to Kansas City (Tr. 4592).

(Said profile was received in evidence and marked Exhibit A-75).

Attorney Towner thereupon offered in evidence the profile of the Chicago, Milwaukee & St. Paul Railroad from Chicago to Omaha (Tr. 4592).

(Said profile was received in evidence and marked Exhibit A-76.)

[fol. 413] The lines covered by the profiles which I have introduced are the main lines of the Milwaukee in this particular territory. I have not undertaken to show any branch lines. The main lines are shown in the three exhibits. (Tr. 4592.)

Referring to Exhibit A-74, showing the line from Chicago to Minneosta Transfer, I have shown the elevation of the line above sea level in feet and the mileage at the bottom. I have not shown the grades either in feet or percentages. They are shown only as indicated on the print. There is no reference as to the exact grade on the condensed profile. I have shown on the profile the scale and from the scale and other information given the particular grade percentages can be ascertained (Tr. 4593).

Cross-examination:

Of the $10,000,000 which I referred to as being spent in Chicago, about $7,000,000 of it, as I recall the figures, was devoted to track elevation and the balance to our Bensenville Yard and signals and one thing and another. No part of that money was expended as the St. Paul's interest in the new Chicago Union Station. A very considerable part of the elevated structures was used by the passenger trains (Tr. 4593-4594).

I cannot tell you anything about the territory west of the Missouri River. I know that the St. Paul runs through the states of Montana, North Dakota, South Dakota and Washington and has considerable mileage there. I know that the traffic density in those states as compared with the states of Illinois, Iowa, and Wisconsin is very much less. I should say that our cost of operation per unit was more out there than here. I should say it was considerably more. I would not want to indicate the exact figure. I would say that the cost of construction and maintenance of some parts of those lines out there is more expensive than in this territory (Tr. 4594-4595).

[fol. 414] Q. Would you say on an average it was greater per mile of line?

Mr. Towner: Do you know anything about it?

The Witness: I don't know what their costs are out there. I would just have to assume an answer.

By Mr. Muckley:

Q. What is your opinion? You are an operating official.

Mr. Towner: I don't think you ought to require this witness to guess on it. He says he knows nothing about the operation out there (Tr. 4594).

Here followed a discussion as to the propriety of the witness giving an opinion in regard to this matter. The witness finally said that he did not know anything about conditions on the lines west (Tr. 4595-4596).

I do not know about the construction costs. It is a mountainous territory out there. I would say that it usually costs more to construct a line in mountainous territory than

in comparatively level territory. I would say that it would cost more for construction and maintenance in that territory than in this territory, that is, through the mountainous territory. I would say that that is true both as to construction and maintenance cost, and also operation (Tr. 4596-4597).

The payment of loss and damage claims in 1918 amounted to $3,354,000. I do not have the figures for 1923. In 1924 the figures were $1,180,995. I assume that we did about 20 per cent more of gross business in 1924 than we did in 1918. The difference, I would say, was all due to the efficiency with which the men operated in 1924 as compared with the war time of 1918. In 1918 the loss and damage claims were 2.44 per cent; 1919, 3.16 per cent; 1921, 3.19 per cent; 1922, 1.07 per cent; 1923, 1.16 per cent; and in 1924, .95 per cent (Tr. 4597-4598-4599).

[fol. 415] B. F. Parsons was recalled as a witness and testified further as follows:

Direct examination:

Mr. Towner: We have another statement here that I will ask to have marked Exhibit No. 77 (Tr. 4599).

(The document was thereupon received as Exhibit A-77.)

[fol. 416] The Witness: We have prepared a table showing the distances from the principal points in western trunk line territory to East St. Louis and Kansas City and from those gateways to most of the points in the *w*outhwestern states. These distances are shown by the direct tariff routes, only the one distance being shown from and to each point. This table introduced as Exhibit A-77 shows on pages 3 to 10 inclusive the distances from the points in western trunk line territory to East St. Louis and Kansas City. These points have been grouped in accordance with the items of southwestern lines' division sheet 40, and in some cases the averages are shown. On pages 11 and 12 appear the distances from East St. Louis and Kansas City to points in Arkansas, Louisiana, the southern part of Mis-

souri and Oklahoma. On pages 13, 14, and 15 are the distances from East St. Louis to all points in Texas common point territory having a population of 1,000 or more, and on pages 16, 17, and 18 are similar distances from Kansas City (Tr. 4600).

In showing the distances to points in Texas as on pages 13 and 16, we have shown separately those points in what we have described as northeastern Texas. That is, the points on north and east of the line described in the footnote on the two pages; and on pages 14 and 15, and 17 and 18, the distances to the remaining points in Texas common point territory south of that line. Also we show the averages in the footnotes on pages 13 and 16 to Texas common point territory as a whole. Texas common point territory includes northeast Texas. The distances are not the shortest possible routes. To illustrate that, going from Kansas City to Fort Worth we used the M. K. & T. rather than the M. K. & T. to Denison and H. & T. C., which would have made a little shorter mileage. I tried to use a reasonable [fol. 417] short line route over which the traffic would ordinarily move (Tr. 4600 to 4601).

On pages 14, 15 and 16 we use all towns of 1,000 population or more according to the 1920 census. There are no points in differential territory included in the statement. The statement which I have made does not apply to the towns in Arkansas, Louisiana, Missouri or Oklahoma. There we merely selected those towns which were used in the other exhibits. Those states did not lend themselves to groups in the same way as the Texas territory is grouped (Tr. 4601-4602).

Let me explain it this way. On page 13 I show the distance from East St. Louis to points in northeastern Texas and the average to the 85 points in northeastern Texas is 691 miles. On page 15 the average to the remaining points in Texas common point territory of which there are 196, is 852. The average to the total 281 points in Texas common point territory is 803 miles, on page 13. The same explanation will go as to Kansas City (Tr. 4602).

In practically all cases the distances were taken from the distance tables published and filed with the Commission, with a few exceptions where we had to go to the Official Guide, but in 99 per cent of the cases I think they were

official distance table mileages. The distance from East St. Louis is whatever the distance table shows. We took the distance from East St. Louis as published. I did not personally compute the mileages from East St. Louis. It may be that the average of three miles between East St. Louis and St. Louis was taken where the distance tables themselves do not show the mileages. Many of the distance tables show the mileage from St. Louis to the southwest and there we used the published figures (Tr. 4603).

In June, 1924, the tons of revenue freight carried by the Chicago & North Western Railway amounted to 4,856,651 (Tr. 4603).

[fol. 418] The western trunk lines have settled their differences on Oklahoma business with the Santa Fe, Rock Island and the Missouri Pacific, via Kansas City. That applies to all traffic. The increase to the western trunk lines, which was 14 per cent, applies on the merchandise percentages published in W. T. L. division sheet 315-A, included in one of the exhibits heretofore introduced. The divisions on oil remained unchanged. On Exhibit A-60 and other exhibits the revenues of the western trunk lines and the southwestern lines on June, 1924 traffic are shown, but the Exhibit does not show the present conditions. It shows the divisons as made on that traffic at the time the accounts were settled. Since July 1st the western trunk lines are getting more revenue than is shown on the Exhibit when the traffic moves through Kansas City. I understand no change was made through East St. Louis (Tr. 4604-4605).

Here the witness was asked by Attorney Muckley whether on the traffic interchanged between the southwestern lines and the Chicago and North Western, for example at Council Bluffs, the ton miles of the line from Kansas City to Council Bluffs would be charged against the southwestern lines. The witness was nct certain as to this and Attorney Towner said that if the record did not show the information called for he would find out and report it (Tr. 4605-4606-4607).

Attorney Muckley thereupon requested that the western trunk lines be required to furnish a statement showing for June, 1924, the revenue that would have received under the present divisions on Oklahoma business—that is the 14 per